

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF BRIGHAM CITY CORPORATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2006
BRIGHAM CITY, UTAH**

**PREPARED BY
DENNIS E. SHEFFIELD, CPA, CGFM
DIRECTOR OF FINANCE**

INTRODUCTORY SECTION

BRIGHAM CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2006

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OCTOBER 5, 2006

MEMBERS OF THE BRIGHAM CITY COUNCIL:

IN ACCORDANCE WITH STATE STATUTES, I HEREBY TRANSMIT THE ANNUAL FINANCIAL REPORT OF BRIGHAM CITY AS OF JUNE 30, 2006, AND FOR THE FISCAL YEAR THEN ENDED. RESPONSIBILITY FOR BOTH THE ACCURACY OF THE PRESENTED DATA AND THE COMPLETENESS AND FAIRNESS OF THE PRESENTATION, INCLUDING ALL DISCLOSURES, RESTS WITH THE CITY. MANAGEMENT BELIEVES THAT THE DATA, AS PRESENTED, IS ACCURATE IN ALL MATERIAL ASPECTS; THAT IT IS PRESENTED IN A MANNER DESIGNED TO FAIRLY SET FORTH THE FINANCIAL POSITION AND RESULTS OF OPERATION OF THE CITY AS MEASURED BY THE FINANCIAL ACTIVITY OF ITS VARIOUS FUNDS; AND THAT ALL DISCLOSURES NECESSARY TO ENABLE THE READER TO GAIN THE MAXIMUM UNDERSTANDING OF THE CITY'S FINANCIAL AFFAIRS HAVE BEEN INCLUDED.

IN DEVELOPING AND EVALUATING THE CITY'S ACCOUNTING SYSTEM, CONSIDERATION IS GIVEN TO THE ADEQUACY OF INTERNAL ACCOUNTING CONTROLS. INTERNAL ACCOUNTING CONTROLS ARE DISCUSSED BY THE DIRECTOR OF FINANCE IN HIS ACCOMPANYING LETTER OF TRANSMITTAL, AND WITHIN THAT FRAMEWORK, I BELIEVE THAT THE CITY'S INTERNAL ACCOUNTING CONTROLS ADEQUATELY SAFEGUARD ASSETS AND PROVIDE REASONABLE ASSURANCE OF PROPER RECORDING OF FINANCIAL TRANSACTIONS.

THIS REPORT HAS BEEN PREPARED FOLLOWING THE GUIDELINES RECOMMENDED BY THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA.

IN ACCORDANCE WITH THE ABOVE-MENTIONED GUIDELINES THE ACCOMPANYING REPORT, AS REFERENCED IN THE TABLE OF CONTENTS, CONSISTS OF THREE PARTS:

1. INTRODUCTORY SECTION INCLUDES A TABLE OF CONTENTS, THE FINANCE DIRECTOR'S LETTER OF TRANSMITTAL, THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA, LIST OF PRINCIPAL OFFICIALS AND ORGANIZATIONAL CHART.
2. FINANCIAL SECTION, CONSISTING OF INDEPENDENT AUDITORS' REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS, BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION.
3. STATISTICAL SECTION, INCLUDING A NUMBER OF TABLES OF UNAUDITED DATA DEPICTING THE FINANCIAL HISTORY OF THE GOVERNMENT FOR THE PAST TEN YEARS, INFORMATION ON OVERLAPPING GOVERNMENTS, AND DEMOGRAPHIC AND OTHER MISCELLANEOUS INFORMATION.

STATE LAW REQUIRES THAT THE FINANCIAL STATEMENTS OF BRIGHAM CITY BE AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT SELECTED BY THE CITY COUNCIL. THIS REQUIREMENT HAS BEEN COMPLIED WITH, AND OUR AUDITORS' OPINION IS INCLUDED IN THE FINANCIAL SECTION OF THIS REPORT.

THE PREPARATION OF THE FINANCIAL REPORT COULD NOT HAVE BEEN ACCOMPLISHED WITHOUT THE DEDICATED EFFORT OF THE FINANCE DIRECTOR AND HIS ENTIRE STAFF. THEIR EFFORTS OVER THE PAST YEAR IN CONTINUING TO UPGRADE THE ACCOUNTING AND FINANCIAL SYSTEMS OF BRIGHAM CITY HAVE LED SUBSTANTIALLY TO THE IMPROVED QUALITY OF THE INFORMATION BEING REPORTED TO THE CITY COUNCIL, STATE OVERSIGHT BOARDS, AND THE CITIZENS OF BRIGHAM CITY.

RESPECTFULLY SUBMITTED,

LOU ANN CHRISTENSEN
MAYOR

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OCTOBER 5, 2006

TO THE HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL, CITY MANAGER, AND CITIZENS OF BRIGHAM CITY,

IT IS WITH GREAT PLEASURE THAT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR BRIGHAM CITY FOR THE YEAR ENDED JUNE 30, 2006, IS PRESENTED.

IN ADDITION TO THE FUND FINANCIAL INFORMATION CURRENTLY PRESENTED IN THE GOVERNMENT'S FINANCIAL STATEMENTS, THIS REPORT INCLUDES GOVERNMENT-WIDE FINANCIAL STATEMENTS. THE GOVERNMENT-WIDE FINANCIAL STATEMENTS INCLUDE A STATEMENT OF NET ASSETS THAT PROVIDE THE TOTAL NET ASSETS OF THE GOVERNMENT INCLUDING ALL CAPITAL ASSETS (INCLUDING INFRASTRUCTURE) AND THE STATEMENT OF ACTIVITIES THAT SHOWS THE COST OF PROVIDING GOVERNMENT SERVICES.

THIS REPORT CONSISTS OF MANAGEMENT'S REPRESENTATIONS CONCERNING THE FINANCES OF THE GOVERNMENT. CONSEQUENTLY, MANAGEMENT ASSUMES FULL RESPONSIBILITY FOR THE COMPLETENESS AND RELIABILITY OF ALL OF THE INFORMATION PRESENTED IN THIS REPORT. TO PROVIDE A REASONABLE BASIS FOR MAKING THESE REPRESENTATIONS, MANAGEMENT HAS ESTABLISHED AN INTERNAL CONTROL FRAMEWORK THAT IS DESIGNED TO BOTH PROTECT THE ASSETS OF THE GOVERNMENT FROM LOSS, THEFT, OR MISUSE AND TO ALLOW FOR THE COMPILING OF SUFFICIENT RELIABLE INFORMATION FOR THE PREPARATION OF THE GOVERNMENT'S FINANCIAL STATEMENTS IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). BECAUSE THE COST OF INTERNAL CONTROLS SHOULD NOT OUTWEIGH THEIR BENEFITS, THE GOVERNMENT'S INTERNAL CONTROL PROCEDURES HAVE BEEN DESIGNED TO PROVIDE REASONABLE RATHER THAN ABSOLUTE ASSURANCE THAT THE FINANCIAL STATEMENTS WILL BE FREE FROM MATERIAL MISSTATEMENT. TO THE BEST OF MANAGEMENT'S KNOWLEDGE AND BELIEF, THIS FINANCIAL REPORT IS COMPLETE AND RELIABLE IN ALL MATERIAL RESPECTS.

THE GOVERNMENT'S FINANCIAL STATEMENTS HAVE BEEN AUDITED BY WIGGINS & CO., P.C., A FIRM OF LICENSED CERTIFIED PUBLIC ACCOUNTANTS. THE GOAL OF THE INDEPENDENT AUDIT WAS TO PROVIDE REASONABLE ASSURANCE THAT THE FINANCIAL STATEMENTS OF THE GOVERNMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2006, ARE FREE OF MATERIAL MISSTATEMENT. THE INDEPENDENT AUDIT INVOLVED EXAMINING, ON A TEST BASIS, EVIDENCE SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS; ASSESSING THE ACCOUNTING PRINCIPLES USED AND SIGNIFICANT ESTIMATES MADE BY MANAGEMENT; AND EVALUATING THE OVERALL FINANCIAL STATEMENT PRESENTATION. THE INDEPENDENT AUDITOR CONCLUDED, BASED UPON THE AUDIT, THAT THERE WAS A REASONABLE BASIS FOR RENDERING AN UNQUALIFIED OPINION THAT BRIGHAM CITY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006, ARE FAIRLY PRESENTED IN CONFORMITY WITH GAAP. THE INDEPENDENT AUDITORS' REPORT IS PRESENTED AS THE FIRST COMPONENT OF THE FINANCIAL SECTION OF THIS REPORT.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRE THAT MANAGEMENT PROVIDE A NARRATIVE INTRODUCTION, OVERVIEW, AND ANALYSIS TO ACCOMPANY THE BASIC FINANCIAL STATEMENTS IN THE FORM OF MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A). THIS LETTER OF TRANSMITTAL IS DESIGNED TO COMPLEMENT THE MD&A AND SHOULD BE READ IN CONJUNCTION WITH IT. THE GOVERNMENT'S MD&A CAN BE FOUND IMMEDIATELY FOLLOWING THE REPORT OF THE INDEPENDENT AUDITORS.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT IS PRESENTED IN THREE SECTIONS:

1. THE INTRODUCTORY SECTION, WHICH IS UNAUDITED, INCLUDES THIS LETTER OF TRANSMITTAL, THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA, LIST OF PROMINENT OFFICERS, AND THE GOVERNMENT'S ORGANIZATION CHART.
2. THE FINANCIAL SECTION, WHICH INCLUDES THE MD&A, THE BASIC FINANCIAL STATEMENTS, AND THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS.
3. THE STATISTICAL SECTION, WHICH IS UNAUDITED, PRESENTS DETAILED INFORMATION AS A CONTEXT FOR UNDERSTANDING WHAT THE INFORMATION IN THE FINANCIAL STATEMENTS, NOTE DISCLOSURES, AND REQUIRED SUPPLEMENTARY INFORMATION SAYS ABOUT THE GOVERNMENT'S OVERALL FINANCIAL HEALTH.

THE FINANCIAL REPORTING ENTITY INCLUDES ALL FUNDS OF THE PRIMARY GOVERNMENT (I.E., BRIGHAM CITY AS LEGALLY DEFINED), AS WELL AS ALL OF ITS COMPONENT UNITS. COMPONENT UNITS ARE LEGALLY SEPARATE ENTITIES FOR WHICH THE PRIMARY GOVERNMENT IS FINANCIALLY ACCOUNTABLE. THE REDEVELOPMENT AGENCY OF BRIGHAM CITY COMPONENT UNIT IS REPORTED IN THE STATEMENTS AS A SPECIAL REVENUE FUND.

GOVERNMENT STRUCTURE

STATE STATUTES DETAIL THE FUNCTIONS TO BE PERFORMED BY STATE MUNICIPALITIES. TITLE 10 OF THE UTAH CODE GENERALLY SETS OUT LAWS TO PROVIDE FOR THE INCORPORATION, ORGANIZATION AND CLASSIFICATION OF CITIES AND TOWNS IN PROPORTION TO POPULATION. CITIES OF THE FOURTH CLASS, SUCH AS THE CITY, ARE THOSE WITH FEWER THAN 30,000 AND MORE THAN 10,000 INHABITANTS. STATE LAW ALLOWS CITIES OF THE FOURTH CLASS TO CHOOSE GOVERNMENT EITHER BY MAYOR AND CITY COUNCIL OR BY MAYOR, CITY COUNCIL, AND CITY MANAGER. THE GOVERNMENT IS ORGANIZED UNDER GENERAL LAW AND GOVERNED BY A MAYOR AND FIVE CITY COUNCIL MEMBERS ELECTED AT LARGE FOR STAGGERED FOUR-YEAR TERMS. THE MAYOR PRESIDES OVER ALL MEETINGS BUT CASTS NO VOTE IN THE CITY COUNCIL EXCEPT IN THE CASE OF A TIE. DIRECTORS ARE FULL-TIME EMPLOYEES OF THE GOVERNMENT AND ARE RESPONSIBLE FOR DAY-TO-DAY OPERATIONS WITHIN THE POLICY FRAMEWORK OF THE GOVERNING BODY. THEY REPORT TO THE MAYOR.

THE PRINCIPAL POWERS AND DUTIES OF MUNICIPALITIES ARE TO MAINTAIN LAW AND ORDER, ABATE NUISANCES, GUARD PUBLIC HEALTH AND SANITATION, PROMOTE RECREATION, PROVIDE FIRE PROTECTION, AND CONSTRUCT AND MAINTAIN STREETS, SIDEWALKS, WATERWORKS AND SEWERS. MUNICIPALITIES ALSO REGULATE COMMERCIAL AND RESIDENTIAL DEVELOPMENT WITHIN THEIR BOUNDARIES BY MEANS OF ZONING ORDINANCES, BUILDING CODES AND LICENSING PROCEDURES.

ECONOMIC CONDITION AND OUTLOOK

THE GOVERNMENT IS LOCATED IN THE NORTHERN PART OF THE STATE ALONG THE WASATCH FRONT, WHICH IS ONE OF THE TOP GROWTH AREAS IN THE STATE. THE ECONOMIC CONDITION AND OUTLOOK OF THE GOVERNMENT CONTINUES TO LOOK GOOD EVEN THOUGH ATK AEROSPACE IS IN THE DEFENSE BUSINESS AND THE OUTLOOK FOR THIS BUSINESS SECTOR IS NOT GOOD. ATK AEROSPACE IS STILL THE MAIN SUPPLIER OF THE BOOSTER ROCKETS FOR THE SPACE SHUTTLE AND NASA IS CONTINUING THEIR LAUNCH SCHEDULE. AUTOLIV'S AUTOMOTIVE DIVISION HAS THEIR AIR BAG DIVISION WITHIN THE GOVERNMENT BOUNDARIES. AUTOLIV HAS BECOME THE LARGEST EMPLOYER WITHIN THE GOVERNMENT BOUNDARIES. THIS HAS HAD A POSITIVE EFFECT ON EMPLOYMENT, THE GOVERNMENT'S TAX BASE, AND UTILITY REVENUE.

THE GENERAL ECONOMIC FORECASTS HAVE SHOWN AN UPTURN, HOWEVER, THE FUTURE ECONOMIC OUTLOOK IS UNCERTAIN. IF THE PRESENT HIGH LEVEL OF SERVICES IS TO BE MAINTAINED, THE GOVERNMENT, IN THE FUTURE, WILL NEED TO EXPLORE NEW METHODS OF OBTAINING FINANCIAL RESOURCES.

MAJOR INITIATIVES

IN PREPARING THE 2005-06 BUDGET, THE GOVERNMENT IDENTIFIED SEVERAL MAJOR PROGRAMS NEEDED TO MEET CITIZENS' NEEDS FOR SERVICES, RECREATION AND TO SAFEGUARD THE ENVIRONMENT, IN CONFORMITY WITH APPLICABLE FEDERAL AND STATE STANDARDS. THESE PROGRAMS INCLUDED THE MAINTENANCE AND EXPANSION OF THE GOVERNMENT'S INFRASTRUCTURES, AND CONTINUED UPGRADING OF THE GOVERNMENT'S PARKS. THE GOVERNMENT'S FLEET LEASING PROGRAM ACQUIRES ALL MOTORIZED VEHICLES AND EQUIPMENT AND LEASES THE EQUIPMENT TO THE VARIOUS DEPARTMENTS OF THE GOVERNMENT.

MAINTENANCE AND EXPANSION OF THE COMMUNITY'S GENERAL INFRASTRUCTURE (SUCH AS ROADS, CURB AND GUTTER, AND SIDEWALKS) AND THE WATER AND SEWER DISTRIBUTION SYSTEMS STILL REMAIN A MAJOR CONCERN OF THE GOVERNMENT. THE GOVERNMENT HAS BUDGETED FOR THE LAST SEVERAL YEARS TO REPLACE, ON A SYSTEMATIC PROGRAM, THE OLDER WATER AND SEWER LINES AND DURING 2005-06 CONTINUED ON THIS PROGRAM. THE TRANSFER FROM THE ENTERPRISE FUND TO THE GENERAL FUND WAS 17.4% OF THE ENTERPRISE FUNDS' REVENUE, WHILE LAST YEAR THE PERCENTAGE WAS APPROXIMATELY 16.6%. IN THE 2006-07 BUDGET, THE ENTERPRISE FUND TRANSFER IS 17.0% OF THE REVENUE.

THE EXPANSION OF THE GOVERNMENT-OWNED AIRPORT CONTINUES. THE GOVERNMENT, DURING THE YEAR ENDED JUNE 30, 2006, CONTINUED WORK ON EXPANDING THE APRONS AND TAXI WAYS. THE FEDERAL GOVERNMENT, THROUGH GRANTS, PAYS 95% OF THE COSTS.

FUTURE PROJECTS

THE GOVERNMENT WILL CONTINUE TO MAINTAIN THE STREETS. WITH 100% OF THE STREETS AND HIGHWAYS OF THE GOVERNMENT WITH CURB AND GUTTER, THE GOVERNMENT WILL BE MORE EFFECTIVE IN THIS MAINTENANCE.

THE GOVERNMENT IS CONTINUING TO RECEIVE ADDITIONAL FEDERAL AND STATE GRANTS FOR IMPROVEMENT OF THE GOVERNMENT'S AIRPORT.

FINANCIAL INFORMATION

FINANCIAL POLICIES. THE GOVERNMENT'S FINANCIAL POLICIES HAD NO SIGNIFICANT IMPACT ON THE CURRENT PERIOD'S FINANCIAL STATEMENTS.

CASH MANAGEMENT. THE UTAH MONEY MANAGEMENT ACT (MM ACT) GOVERNS THE INVESTMENT OF ALL PUBLIC FUNDS HELD BY PUBLIC TREASURERS IN THE STATE. IT ESTABLISHES CRITERIA FOR THE INVESTMENT OF PUBLIC FUNDS WITH AN EMPHASIS ON SAFETY, LIQUIDITY, YIELD, MATCHING STRATEGY TO FUND OBJECTIVES, AND MATCHING THE TERM OF INVESTMENTS TO THE AVAILABILITY OF FUNDS. THE MM ACT PROVIDES A LIMITED LIST OF APPROVED INVESTMENTS, INCLUDING QUALIFIED IN-STATE AND PERMITTED OUT-OF-STATE FINANCIAL INSTITUTIONS, APPROVED GOVERNMENT AGENCY SECURITIES, AND INVESTMENTS IN CORPORATE SECURITIES CARRYING "TOP CREDIT RATINGS."

THE LAW REQUIRES ALL SECURITIES TO BE DELIVERED VERSUS PAYMENT TO THE TREASURER'S SAFEKEEPING BANK. IT ALSO REQUIRES DIVERSIFICATION OF INVESTMENTS. THE GOVERNMENT IS CURRENTLY COMPLYING WITH ALL OF THE PROVISIONS OF THE MM ACT FOR ALL GOVERNMENT OPERATING FUNDS. A SIGNIFICANT PORTION OF THE GOVERNMENT'S FUNDS ARE INVESTED IN THE UTAH PUBLIC TREASURER'S INVESTMENT FUND (PTIF).

ALL DEPOSITS ARE HELD EITHER BY THE GOVERNMENT, ITS AGENCY OR A FINANCIAL INSTITUTION'S TRUST DEPARTMENT IN THE GOVERNMENT'S NAME. ALL OF THE GOVERNMENT'S INVESTMENTS HELD DURING THE YEAR, AND AT YEAR-END, ARE CLASSIFIED IN THE CATEGORY OF LOWEST CREDIT RISK AS DEFINED BY THE GOVERNMENT ACCOUNTING STANDARDS BOARD.

RISK MANAGEMENT. DURING FISCAL YEAR 2005-06 THE GOVERNMENT HAS CONTINUED TO STRENGTHEN ITS RISK MANAGEMENT PROGRAM. A RISK MANAGEMENT COMMITTEE MEETS MONTHLY UNDER THE DIRECTION OF THE RISK MANAGER TO PLAN AND EVALUATE RISK MANAGEMENT PROGRAMS. MANDATORY QUARTERLY RISK MANAGEMENT TRAINING MEETINGS HAVE BEEN ESTABLISHED FOR ALL CITY EMPLOYEES. RISK MANAGEMENT INSPECTIONS OF CITY FACILITIES ARE HELD PERIODICALLY. INFORMATION AND TRAINING ON RISK MANAGEMENT TECHNIQUES AND CONCERNS COME FROM THE UTAH RISK MANAGEMENT MUTUAL ASSOCIATION, THE POOL OF CITIES THAT PROVIDES THE CITY'S LIABILITY INSURANCE. RISK MANAGEMENT STANDARDS AND PROGRAMS ARE MANDATED BY THE ASSOCIATION FOR THE CITY.

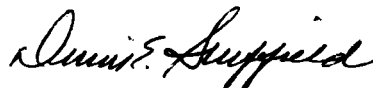
OTHER INFORMATION

AWARDS. THE GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARDED A CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING TO THE GOVERNMENT FOR ITS COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2005. THIS WAS THE TWENTIETH CONSECUTIVE YEAR THAT THE GOVERNMENT HAS RECEIVED THIS PRESTIGIOUS AWARD. IN ORDER TO BE AWARDED A CERTIFICATE OF ACHIEVEMENT, THE GOVERNMENT PUBLISHED AN EASILY READABLE AND EFFICIENTLY ORGANIZED COMPREHENSIVE ANNUAL FINANCIAL REPORT. THIS REPORT SATISFIED BOTH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND APPLICABLE LEGAL REQUIREMENTS.

A CERTIFICATE OF ACHIEVEMENT IS VALID FOR A PERIOD OF ONE YEAR ONLY. WE BELIEVE THAT OUR CURRENT COMPREHENSIVE ANNUAL FINANCIAL REPORT CONTINUES TO MEET THE CERTIFICATE OF ACHIEVEMENT PROGRAM'S REQUIREMENTS AND WE ARE SUBMITTING IT TO THE GFOA TO DETERMINE ITS ELIGIBILITY FOR ANOTHER CERTIFICATE.

ACKNOWLEDGMENTS. THE PREPARATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT ON A TIMELY BASIS WAS MADE POSSIBLE BY THE DEDICATED SERVICE OF THE ENTIRE STAFF OF THE FINANCE DEPARTMENT. EACH MEMBER OF THE DEPARTMENT HAS MY SINCERE APPRECIATION FOR THE CONTRIBUTIONS MADE IN THE PREPARATION OF THIS REPORT. IN CLOSING, WITHOUT THE LEADERSHIP AND SUPPORT OF THE GOVERNING BODY OF THE GOVERNMENT, PREPARATION OF THIS REPORT WOULD NOT HAVE BEEN POSSIBLE.

SINCERELY,



DENNIS E. SHEFFIELD, CPA, CGFM
DIRECTOR OF FINANCE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Brigham City Corporation,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



Carol E. Perry

President

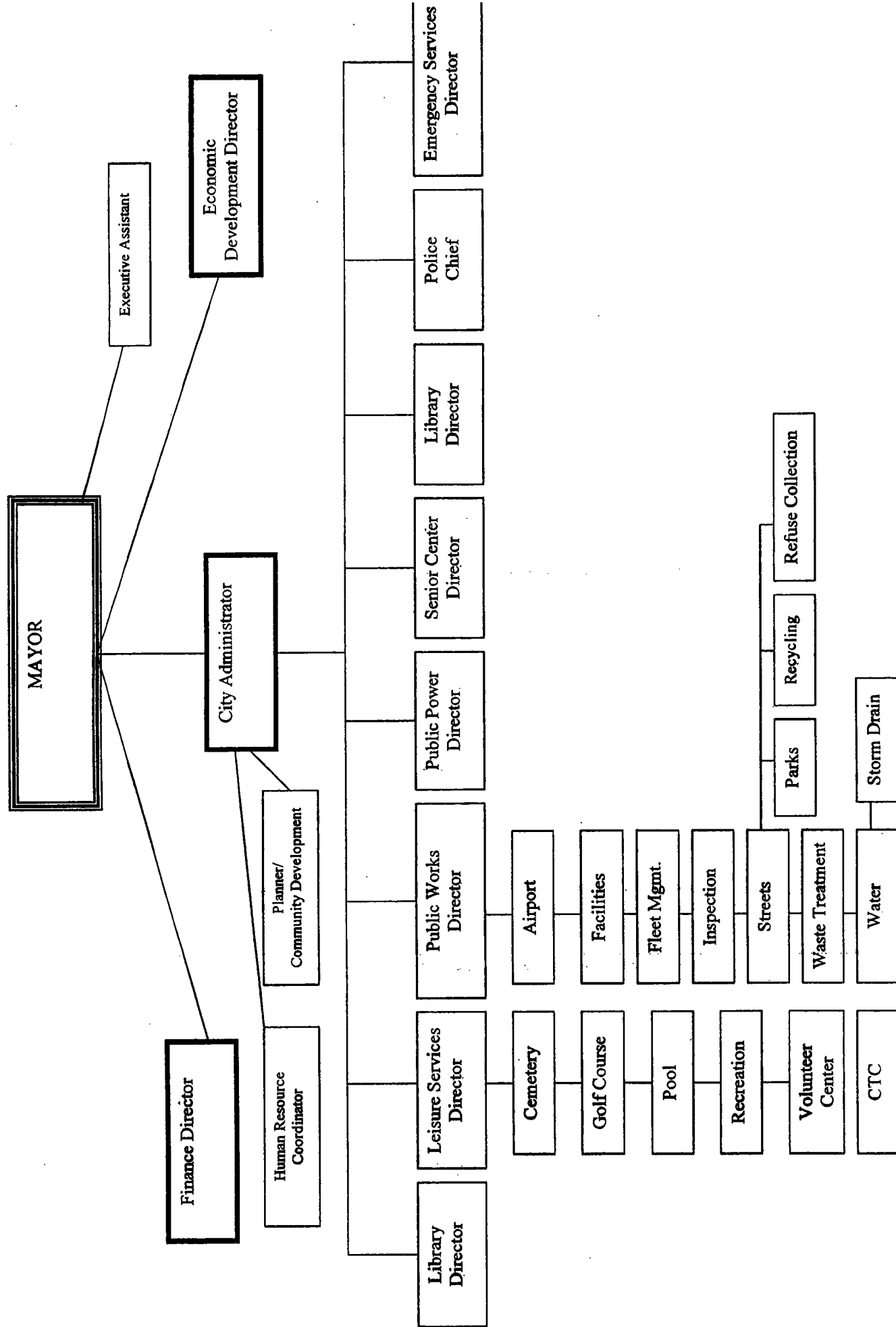
Jeffrey R. Enos

Executive Director

BRIGHAM CITY CORPORATION
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2006

| <u>TITLE</u> | <u>NAME</u> |
|-------------------------------------|--------------------------------------|
| CITY ADMINISTRATOR | E. BRUCE LEONARD |
| DIRECTOR OF FINANCE | DENNIS E. SHEFFIELD, C.P.A., C.G.F.M |
| CITY RECORDER | MARY KATE CHRISTENSEN, CMC |
| TREASURER | DIANE REICHARD |
| ATTORNEY | MANN, HADFIELD & THORNE, PC |
| CITY PLANNER | MARK TEUSCHER |
| PUBLIC WORKS DIRECTOR | BLAKE FONNESBECK |
| PUBLIC POWER DIRECTOR | ALAN WRIGHT |
| LEISURE SERVICES DIRECTOR | BENJAMIN N. BOYCE |
| POLICE CHIEF | PAUL TITTENSOR |
| FIRE CHIEF | NOEL COCHRAN |
| SENIOR CITIZEN DIRECTOR | NANCY J. GREEN |
| MUSEUM-GALLERY DIRECTOR | LARRY G. DOUGLASS |
| AMBULANCE CHIEF | MICHAEL SETZER |
| LIBRARIAN | SUE HILL |
| EMERGENCY SERVICES DIRECTOR | JIM BUCHANAN |
| ECONOMIC DEVELOPMENT DIRECTOR | PAUL H. LARSEN |

BRIGHAM CITY CORPORATION



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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council Members
Brigham City Corporation
Brigham City, Utah 84302

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation (the "City"), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation, as of June 30, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2006, on our consideration of Brigham City Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wiggins & Co. PC

Brigham City, Utah
October 5, 2006

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BRIGHAM CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2006

OUR DISCUSSION AND ANALYSIS OF THE GOVERNMENT'S FINANCIAL PERFORMANCE PROVIDES AN OVERVIEW OF THE GOVERNMENT'S FINANCIAL ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2006.

PLEASE READ IN CONJUNCTION WITH THE GOVERNMENT'S BASIC FINANCIAL STATEMENTS, WHICH BEGIN ON PAGE 16.

FINANCIAL HIGHLIGHTS

• THE GOVERNMENT'S CHANGE IN NET ASSETS:

| | JUNE 30, | | CHANGE | |
|----------------------------|--------------------|--------------------|--------------------|---------|
| | 2006 | 2005 | AMOUNT | PERCENT |
| CHANGE IN NET ASSETS: | | | | |
| GOVERNMENTAL ACTIVITIES | \$8,221,000 | 1,766,000 | \$6,455,000 | 365.5 |
| BUSINESS TYPE ACTIVITIES | 527,000 | (244,000) | 771,000 | 771.0 |
| TOTAL CHANGE IN NET ASSETS | <u>\$8,748,000</u> | <u>\$1,522,000</u> | <u>\$7,226,000</u> | 474.8 |

• THE GOVERNMENT'S RETURN ON TOTAL ENDING ASSETS:

| | JUNE 30, | |
|---------------|----------|------|
| | 2006 | 2005 |
| GOVERNMENTAL | 24.0% | 6.8% |
| BUSINESS TYPE | 2.4% | — |
| TOTAL | 15.4% | 3.2% |

- THE CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES WAS MAINLY DUE THE GOVERNMENT RECEIVING OVER \$7,800,000 IN FEDERAL GRANTS FOR WORK DONE ON THE AIRPORT RUNWAY. THE EXPENDITURES RELATING TO THIS GRANT WAS FOR CAPITAL ASSETS.
- TOTAL COST OF ALL OF THE GOVERNMENT'S PROGRAMS WAS \$24,495,000 IN 2006 AND \$23,865,000 IN 2005.
- DURING THE YEAR, THE GOVERNMENT HAD EXPENSES FOR GOVERNMENTAL ACTIVITIES THAT WERE \$1,239,000 MORE THAN THE \$12,364,000 GENERATED IN PROGRAM REVENUES FOR THE YEAR ENDED JUNE 30, 2006, AND WERE \$6,627,000 MORE THAN THE \$6,530,000 GENERATED IN PROGRAM REVENUES FOR THE YEAR ENDED JUNE 30, 2005. GENERAL REVENUES INCREASED FROM \$8,393,000 FOR THE YEAR ENDED JUNE 30, 2005, TO \$9,460,000 FOR THE YEAR ENDED JUNE 30, 2006.

USING THIS ANNUAL REPORT

THIS ANNUAL REPORT CONSISTS OF A SERIES OF FINANCIAL STATEMENTS. THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES (ON PAGES 16-18) PROVIDE INFORMATION ABOUT THE ACTIVITIES OF THE GOVERNMENT AS A WHOLE AND PRESENT A LONGER-TERM VIEW OF THE GOVERNMENT'S FINANCES. FUND FINANCIAL STATEMENTS START ON PAGE 19. FOR GOVERNMENTAL ACTIVITIES, THESE STATEMENTS TELL HOW THESE SERVICES WERE FINANCED IN THE SHORT TERM AS WELL AS WHAT REMAINS FOR FUTURE SPENDING. FUND FINANCIAL STATEMENTS ALSO REPORT THE GOVERNMENT'S OPERATIONS IN MORE DETAIL THAN THE GOVERNMENT-WIDE STATEMENTS BY PROVIDING INFORMATION ABOUT THE GOVERNMENT'S MOST FINANCIALLY SIGNIFICANT FUNDS.

REPORTING THE GOVERNMENT AS A WHOLE:

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

OUR ANALYSIS OF THE GOVERNMENT AS A WHOLE BEGINS ON PAGE 5. ONE OF THE MOST IMPORTANT QUESTIONS ASKED ABOUT THE GOVERNMENT'S FINANCES IS "IS THE GOVERNMENT AS A WHOLE BETTER OFF OR WORSE OFF AS A RESULT OF THE YEAR'S ACTIVITIES?" THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES REPORT INFORMATION ABOUT THE GOVERNMENT AS A WHOLE AND ABOUT ITS ACTIVITIES IN A WAY THAT HELPS ANSWER THIS QUESTION. THESE STATEMENTS INCLUDE ALL ASSETS AND LIABILITIES USING THE ACCRUAL BASIS OF ACCOUNTING, WHICH IS SIMILAR TO THE ACCOUNTING USED BY MOST PRIVATE-SECTOR COMPANIES. ACCRUAL OF THE CURRENT YEAR'S REVENUES AND EXPENSES ARE TAKEN INTO ACCOUNT REGARDLESS OF WHEN CASH IS RECEIVED OR PAID.

THESE TWO STATEMENTS REPORT THE GOVERNMENT'S NET ASSETS AND CHANGES IN THEM. YOU CAN THINK OF THE GOVERNMENT'S NET ASSETS AS THE DIFFERENCE BETWEEN ASSETS, WHAT THE CITIZENS OWN, AND LIABILITIES, WHAT THE CITIZENS OWE, AS ONE WAY TO MEASURE THE GOVERNMENT'S

FINANCIAL HEALTH, OR FINANCIAL POSITION. OVER TIME, INCREASES OR DECREASES IN THE GOVERNMENT'S NET ASSETS ARE ONE INDICATOR OF WHETHER ITS FINANCIAL HEALTH IS IMPROVING OR DETERIORATING. YOU WILL NEED TO CONSIDER OTHER NONFINANCIAL FACTORS, HOWEVER, SUCH AS CHANGES IN THE GOVERNMENT'S PROPERTY TAX BASE AND THE CONDITION OF THE GOVERNMENT'S CAPITAL ASSETS (ROADS, BUILDINGS, WATER AND SEWER LINES) TO ASSESS THE OVERALL HEALTH OF THE GOVERNMENT.

IN THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES, WE DIVIDE THE GOVERNMENT INTO TWO KINDS OF ACTIVITIES:

- **GOVERNMENTAL ACTIVITIES:** MOST OF THE GOVERNMENT'S BASIC SERVICES ARE REPORTED HERE, INCLUDING THE POLICE, FIRE, STREET MAINTENANCE, PARKS AND RECREATIONS, AND GENERAL ADMINISTRATION. SALES TAXES, PROPERTY TAXES, AND STATE AND FEDERAL GRANTS AND OPERATING TRANSFERS FINANCE MOST OF THESE ACTIVITIES.
- **BUSINESS-TYPE ACTIVITIES:** THE GOVERNMENT CHARGES A FEE TO CUSTOMERS TO HELP IT COVER ALL OR MOST OF THE COST OF CERTAIN SERVICES IT PROVIDES. THE GOVERNMENT'S WATER, SEWER, ELECTRIC, REFUSE AND STORM DRAIN SYSTEMS ARE REPORTED HERE.

FUND FINANCIAL STATEMENTS

OUR ANALYSIS OF THE GOVERNMENT'S MAJOR FUNDS BEGINS ON PAGE 12. THE FUND FINANCIAL STATEMENTS BEGIN ON PAGE 23 AND PROVIDE DETAILED INFORMATION ABOUT THE MOST SIGNIFICANT FUNDS - NOT THE GOVERNMENT AS A WHOLE. SOME FUNDS ARE REQUIRED TO BE ESTABLISHED BY STATE LAW. HOWEVER, THE CITY COUNCIL ESTABLISHES MANY OTHER FUNDS TO HELP IT CONTROL AND MANAGE MONEY FOR PARTICULAR PURPOSES (I.E., REDEVELOPMENT AGENCY FUNDS). THE GOVERNMENT'S TWO KINDS OF FUNDS, GOVERNMENTAL AND PROPRIETARY, USE DIFFERENT ACCOUNTING APPROACHES.

GOVERNMENTAL FUNDS: MOST OF THE GOVERNMENT'S BASIC SERVICES ARE REPORTED IN GOVERNMENTAL FUNDS, WHICH FOCUS ON HOW MONEY FLOWS INTO AND OUT OF THOSE FUNDS AND THE BALANCES LEFT AT YEAR-END THAT ARE AVAILABLE FOR SPENDING. THESE FUNDS ARE REPORTED USING AN ACCOUNTING METHOD CALLED MODIFIED ACCRUAL ACCOUNTING, WHICH MEASURES CASH AND ALL OTHER FINANCIAL ASSETS THAT CAN READILY BE CONVERTED TO CASH. THE GOVERNMENTAL FUND STATEMENTS PROVIDE A DETAILED SHORT-TERM VIEW OF THE GOVERNMENT'S GENERAL GOVERNMENT OPERATIONS AND THE BASIC SERVICES IT PROVIDES. GOVERNMENTAL FUND INFORMATION HELPS ONE DETERMINE WHETHER THERE ARE MORE OR FEWER FINANCIAL RESOURCES THAT CAN BE SPENT IN THE NEAR FUTURE TO FINANCE THE GOVERNMENT'S PROGRAMS. WE DESCRIBED THE RELATIONSHIP (OR DIFFERENCES) BETWEEN GOVERNMENTAL ACTIVITIES (REPORTED IN THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES) AND GOVERNMENTAL FUNDS IN A RECONCILIATION FOLLOWING THE FUND FINANCIAL STATEMENTS.

PROPRIETARY FUNDS: WHEN THE GOVERNMENT CHARGES CUSTOMERS FOR THE FULL COST OF THE SERVICES IT PROVIDES, WHETHER TO OUTSIDE CUSTOMERS OR TO OTHER UNITS OF THE GOVERNMENT, THESE SERVICES ARE REPORTED IN PROPRIETARY FUNDS. PROPRIETARY FUNDS ARE REPORTED IN THE SAME WAY THAT ALL ACTIVITIES ARE REPORTED IN THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES. IN FACT, THE GOVERNMENT'S ENTERPRISE FUNDS (A COMPONENT OF BUSINESS TYPE FUNDS) ARE THE SAME AS THE BUSINESS-TYPE ACTIVITIES WE REPORT IN THE GOVERNMENT-WIDE STATEMENTS BUT PROVIDE MORE DETAIL AND ADDITIONAL INFORMATION, SUCH AS CASH FLOWS, FOR PROPRIETARY FUNDS. WE USE AN INTERNAL SERVICE FUND TO REPORT ACTIVITIES THAT PROVIDE SUPPLIES AND SERVICES TO THE GOVERNMENT'S OTHER PROGRAMS AND ACTIVITIES.

THE GOVERNMENT AS A WHOLE

THE GOVERNMENT'S COMBINED NET ASSETS CHANGED FROM A YEAR AGO, INCREASING FROM \$48 MILLION TO \$57 MILLION. THIS INCREASE IS MAINLY DUE TO THE AIRPORT PROJECT. LOOKING AT THE NET ASSETS AND NET EXPENSES OF GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES SEPARATELY, DIFFERENT STORIES EMERGE. OUR ANALYSIS BELOW FOCUSES ON THE NET ASSETS (TABLE 1) AND CHANGES IN NET ASSETS (TABLE 2) OF THE GOVERNMENT'S GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES.

TABLE 1
NET ASSETS (IN THOUSANDS)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL PRIMARY GOVERNMENT | |
|---|-------------------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| CURRENT AND OTHER ASSETS | \$ 9,769 | \$ 8,252 | \$ 4,110 | \$ 3,419 | \$13,879 | \$11,671 |
| CAPITAL ASSETS | <u>34,974</u> | <u>28,886</u> | <u>21,220</u> | <u>21,584</u> | <u>56,194</u> | <u>50,470</u> |
| TOTAL ASSETS | <u>44,743</u> | <u>37,138</u> | <u>25,330</u> | <u>25,003</u> | <u>70,073</u> | <u>62,141</u> |
| OTHER LIABILITIES | (4,944) | (4,514) | (1,392) | (1,636) | (6,336) | (6,150) |
| LONG-TERM LIABILITIES OUTSTANDING | <u>(5,554)</u> | <u>(6,600)</u> | <u>(1,558)</u> | <u>(1,515)</u> | <u>(7,117)</u> | <u>(8,115)</u> |
| TOTAL LIABILITIES | <u>(10,498)</u> | <u>(11,114)</u> | <u>(2,950)</u> | <u>(3,151)</u> | <u>(13,448)</u> | <u>(14,265)</u> |
| NET ASSETS: | | | | | | |
| INVESTED IN CAPITAL ASSETS, NET OF DEBT | 28,435 | 21,299 | 19,552 | 19,909 | 47,987 | 41,208 |
| RESTRICTED | 3,101 | 2,520 | 316 | 395 | 3,417 | 2,915 |
| UNRESTRICTED (DEFICIT) | <u>2,709</u> | <u>2,205</u> | <u>2,512</u> | <u>1,548</u> | <u>5,221</u> | <u>3,753</u> |
| TOTAL NET ASSETS | <u>\$34,245</u> | <u>\$26,024</u> | <u>\$22,380</u> | <u>\$21,852</u> | <u>\$56,625</u> | <u>\$47,876</u> |

NET ASSETS OF THE GOVERNMENT'S GOVERNMENTAL ACTIVITIES INCREASED BY 31.6 PERCENT AT JUNE 30, 2006 AND INCREASED BY 7.2 PERCENT AT JUNE 30, 2005. UNRESTRICTED NET ASSETS, THE PART OF NET ASSETS THAT CAN BE USED TO FINANCE DAY-TO-DAY OPERATIONS WITHOUT CONSTRAINTS ESTABLISHED BY DEBT COVENANTS, ENABLING LEGISLATION, OR OTHER LEGAL REQUIREMENTS, WAS \$2,709,000 AT JUNE 30, 2006 AND \$2,205,000 AT JUNE 30, 2005. RESTRICTED NET ASSETS, THOSE RESTRICTED MAINLY FOR CAPITAL PROJECTS AND SPECIAL PURPOSES, SUCH AS STREET CLEANING OR MAINTENANCE, TOTALLED \$3,101,000 AT JUNE 30, 2006 AND \$2,520,000 AT JUNE 30, 2005. THE TOTAL NET ASSET CATEGORY INCREASED FROM A REDUCTION IN PROGRAM COSTS (AFTER DEDUCTION FOR PROGRAM REVENUES) AND AN INCREASE OF INVESTMENT IN CAPITAL ASSETS, NET OF DEBT. THE CATEGORY, INVESTMENT IN CAPITAL ASSETS NET OF DEBT FOR GOVERNMENTAL ACTIVITIES, WAS \$28,435,000 AT JUNE 30, 2006 AND \$21,299,000 AT JUNE 30, 2005.

THE MAJOR REASONS FOR THE CHANGE IN GOVERNMENTAL NET ASSETS FROM JUNE 30, 2005 TO JUNE 30, 2006 WAS MAINLY DUE TO AN INCREASE IN FEDERAL GRANTS RELATED TO THE RUNWAY CONSTRUCTION AT THE GOVERNMENT'S AIRPORT, A DEBT DECREASED BECAUSE OF BOND PAYMENTS, THE ACCUMULATED DEPRECIATION INCREASE WAS NOT COMPLETELY OFFSET BY CAPITAL ASSET ADDITIONS, AND INCREASES IN PROPERTY AND SALES TAXES. AS NOTED PREVIOUSLY, THE NET ASSETS INCREASED FROM \$1,766,000 TO \$8,221,000 FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005, RESPECTIVELY.

THE NET ASSETS OF OUR BUSINESS-TYPE ACTIVITIES INCREASED BY \$527,000 IN 2006 AND DECREASED BY \$244,000 IN 2005. THE GOVERNMENT GENERALLY CAN USE THESE NET ASSETS TO FINANCE THE CONTINUING OPERATIONS OF THE WATER, SEWER, ELECTRIC AND REFUSE OPERATIONS. THE GOVERNMENT TAKES TRANSFERS FROM THESE OPERATIONS TO THE GOVERNMENTAL ACTIVITIES TO HELP FINANCE THE GOVERNMENTAL PROGRAMS. THE OPERATING PROFIT WAS \$3,756,000 WHICH WAS \$527,000 MORE THAN THE TRANSFERS MADE IN 2006.

FINANCIAL RATIOS

(DOLLARS IN THOUSANDS)

THE FOLLOWING FINANCIAL RATIOS SHOULD BE USED TO ASSESS THE FINANCIAL STABILITY OF THE GOVERNMENT OVER AN EXTENDED PERIOD OF TIME.

THE RATIOS OF WORKING CAPITAL AND DAYS CASH DEMONSTRATE THE CONTINUING ABILITY TO FINANCE OPERATIONS WITH CASH. THE RELATIVE STABILITY OF THE CURRENT RATIO AND THE LIABILITIES TO NET ASSET DEMONSTRATE THE FACT THAT THE GOVERNMENT HAS NOT FINANCED ITS WORKING CAPITAL AND DAYS CASH WITH A SUBSTANTIALLY INCREASING PROPORTION OF DEBT.

"WORKING CAPITAL" IS THE AMOUNT BY WHICH CURRENT ASSETS EXCEED CURRENT LIABILITIES. THE "CURRENT RATIO," WHICH COMPARES CURRENT ASSETS TO CURRENT LIABILITIES, IS AN INDICATOR OF THE ABILITY TO PAY CURRENT OBLIGATIONS.

| | WORKING CAPITAL | | CURRENT RATIO | |
|---------------------|-----------------|---------|---------------|------|
| | 2006 | 2005 | 2006 | 2005 |
| ENTITY WIDE SUMMARY | \$7,542 | \$5,521 | 2.19 | 1.90 |
| GOVERNMENTAL | \$4,825 | \$3,738 | 1.98 | 1.83 |
| BUSINESS-TYPE | \$2,717 | \$1,783 | 2.95 | 2.09 |

"DAYS CASH" REPRESENTS THE NUMBER OF DAYS NORMAL OPERATIONS COULD CONTINUE WITH NO REVENUE COLLECTION.

| | <u>DAYS CASH</u> | | <u>LIABILITIES TO NET ASSETS</u> | |
|---------------------|------------------|-------------|----------------------------------|-------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| ENTITY WIDE SUMMARY | 123 | 93 | 24% | 30% |
| GOVERNMENTAL | 175 | 143 | 31% | 43% |
| BUSINESS-TYPE | 57 | 33 | 13% | 14% |

"RETURN ON ASSETS FROM OPERATIONS" ILLUSTRATES TO WHAT EXTENT THERE WILL BE SUFFICIENT FUNDS FROM OPERATIONS TO REPLACE ASSETS IN THE FUTURE.

| | <u>RETURN ON ASSETS</u> | |
|---------------------|-------------------------|-------------|
| | <u>2006</u> | <u>2005</u> |
| ENTITY WIDE SUMMARY | 15.4% | 3.2% |
| GOVERNMENTAL | 24% | 6.8% |
| BUSINESS-TYPE | 2.4% | — |

TABLE 2
CHANGES IN NET ASSETS
(IN THOUSANDS)

| | <u>GOVERNMENTAL ACTIVITIES</u> | | <u>BUSINESS-TYPE ACTIVITIES</u> | | <u>TOTAL</u> | |
|---|--------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| REVENUES: | | | | | | |
| PROGRAM REVENUES: | | | | | | |
| CHARGES FOR SERVICES | 3,290 | \$ 3,146 | \$14,648 | \$13,439 | \$17,938 | \$16,585 |
| OPERATING GRANTS & CONTRIBUTIONS | 776 | 784 | | | 776 | 784 |
| CAPITAL GRANTS & CONTRIBUTIONS | 8,298 | 2,599 | | | 8,298 | 2,599 |
| GENERAL REVENUES: | | | | | | |
| PROPERTY TAXES | 2,062 | 2,018 | | | 2,062 | 2,018 |
| SALES TAXES | 2,562 | 2,322 | | | 2,562 | 2,322 |
| OTHER TAXES | 878 | 792 | | | 878 | 792 |
| GRANTS AND CONTRIBUTIONS | 21 | 12 | | | 21 | 12 |
| INVESTMENT INCOME | 370 | 199 | | | 370 | 199 |
| OTHER REVENUES | 338 | 75 | | | 338 | 75 |
| TOTAL REVENUES | <u>18,595</u> | <u>11,947</u> | <u>14,648</u> | <u>13,439</u> | <u>33,243</u> | <u>25,386</u> |
| EXPENSES: | | | | | | |
| GENERAL GOVERNMENT | 2,004 | 1,726 | | | 2,004 | 1,726 |
| PUBLIC SAFETY | 4,390 | 4,680 | | | 4,390 | 4,680 |
| PUBLIC WORKS | 2,640 | 2,433 | | | 2,640 | 2,433 |
| CULTURE, PARKS & RECREATION | 3,777 | 3,612 | | | 3,777 | 3,612 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | 481 | 355 | | | 481 | 355 |
| INTEREST ON LONG-TERM DEBT | 311 | 350 | | | 311 | 350 |
| WATER | | | 1,434 | 1,357 | 1,434 | 1,357 |
| WASTE TREATMENT | | | 1,617 | 1,704 | 1,617 | 1,704 |
| ELECTRIC | | | 6,774 | 6,587 | 6,774 | 6,587 |
| WASTE COLLECTION | | | 703 | 685 | 703 | 685 |
| STORM DRAINAGE | | | 364 | 375 | 364 | 375 |
| TOTAL EXPENSES | <u>13,603</u> | <u>13,156</u> | <u>10,892</u> | <u>10,708</u> | <u>24,495</u> | <u>23,864</u> |
| INCREASE(DECREASE) IN NET ASSETS BEFORE TRANSFERS | 4,992 | (1,209) | 3,756 | 2,731 | 8,748 | 1,522 |
| TRANSFERS | 3,229 | 2,975 | (3,229) | (2,975) | — | — |
| INCREASE IN NET ASSETS | 8,221 | 1,766 | 527 | (244) | 8,748 | 1,522 |
| NET ASSETS, BEGINNING | 26,024 | 24,258 | 21,853 | 22,097 | 47,877 | 46,355 |
| NET ASSETS, ENDING | <u>\$34,245</u> | <u>\$26,024</u> | <u>\$22,380</u> | <u>\$21,853</u> | <u>\$56,625</u> | <u>\$47,877</u> |

THE FOLLOWING GRAPHS ILLUSTRATE IN A VISUAL FORM THE MAKE-UP OF THE GOVERNMENTAL ACTIVITIES REVENUES, EXPENDITURES AND TRANSFERS.

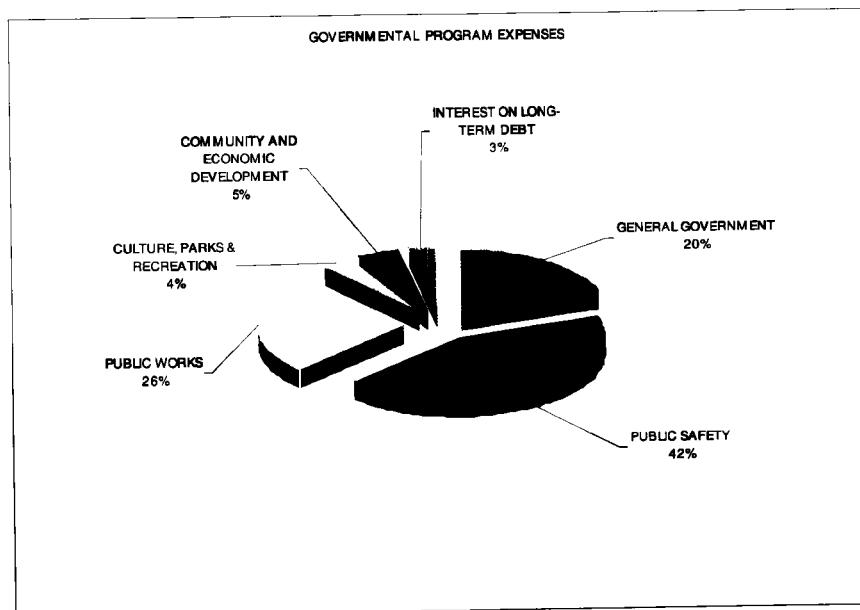
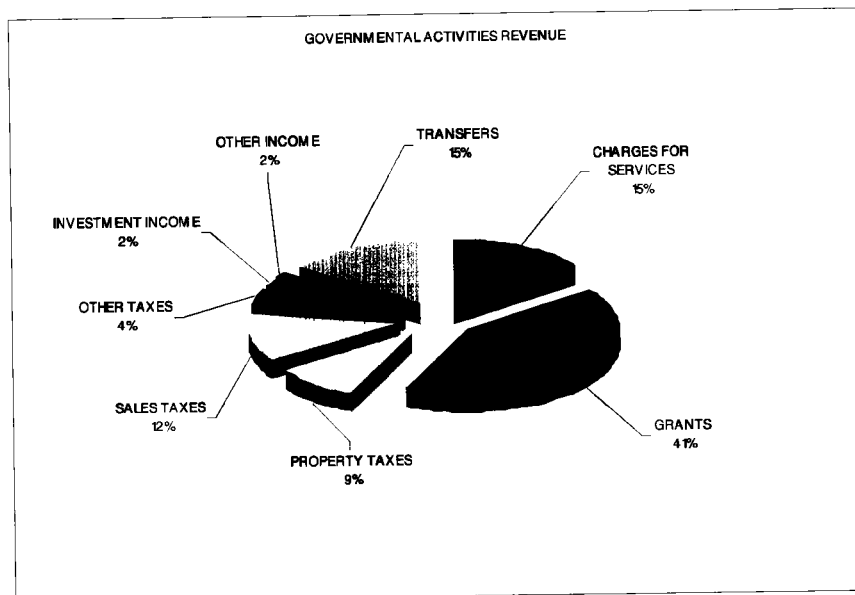
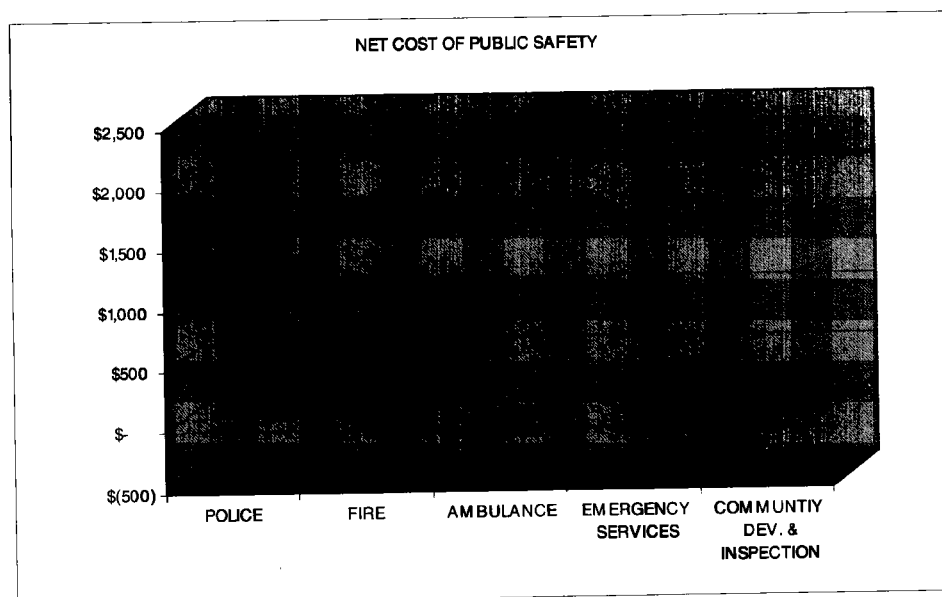
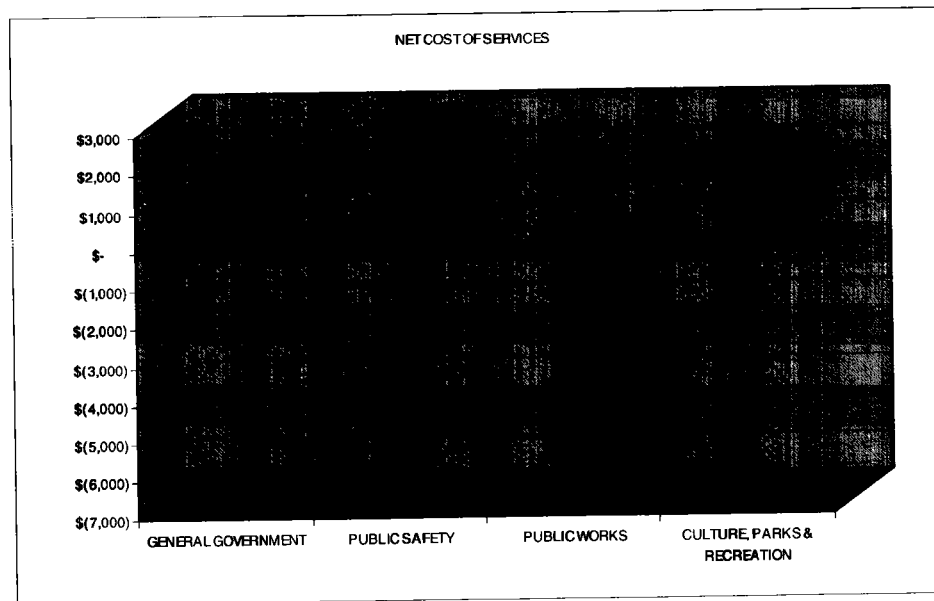


TABLE 3 PRESENTS THE PROGRAM'S NET COST (TOTAL COST LESS REVENUES GENERATED BY THE ACTIVITIES) OF EACH OF THE GOVERNMENT'S FOUR LARGEST GOVERNMENTAL PROGRAMS: GENERAL GOVERNMENT, PUBLIC SAFETY, PUBLIC WORKS, CULTURE, PARKS AND RECREATION. THE NET COST SHOWS THE FINANCIAL BURDEN THAT WAS PLACED ON THE GOVERNMENT'S TAXPAYERS BY EACH OF THESE FUNCTIONS. INCLUDED IN PUBLIC SAFETY IS THE POLICE, FIRE, AMBULANCE, EMERGENCY SERVICES AND COMMUNITY DEVELOPMENT (INSPECTION). THE MAJOR SOURCE OF REVENUE IN PUBLIC SAFETY IS FROM THE AMBULANCE SERVICE. THE PUBLIC WORKS OPERATION HAD REVENUES OVER EXPENDITURES OF \$6,237,000 IN 2006 BECAUSE OF FEDERAL AND STATE GRANTS THE GOVERNMENT RECEIVED FOR THE CAPITAL WORK DONE AT THE AIRPORT.

TABLE 3
GOVERNMENTAL ACTIVITIES
(IN THOUSANDS)

| | <u>NET COST OF SERVICES</u> | |
|-------------------------------|-----------------------------|----------------|
| | <u>2006</u> | <u>2005</u> |
| GENERAL GOVERNMENT | \$1,708 | \$1,343 |
| PUBLIC SAFETY | 2,950 | 2,813 |
| PUBLIC WORKS | (6,237) | (188) |
| CULTURE, PARKS AND RECREATION | 2,107 | 1,953 |
| DETAIL OF PUBLIC SAFETY: | | |
| POLICE | \$2,233 | \$2,054 |
| FIRE | 525 | 385 |
| AMBULANCE | (127) | (177) |
| EMERGENCY SERVICES | 37 | 220 |
| COMMUNITY DEVELOPMENT | <u>282</u> | <u>331</u> |
| | <u>\$2,950</u> | <u>\$2,813</u> |

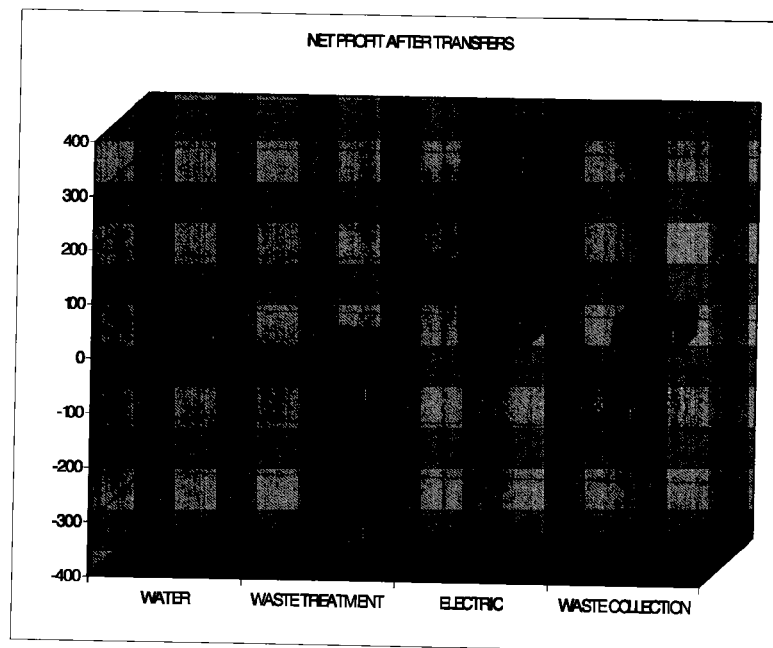
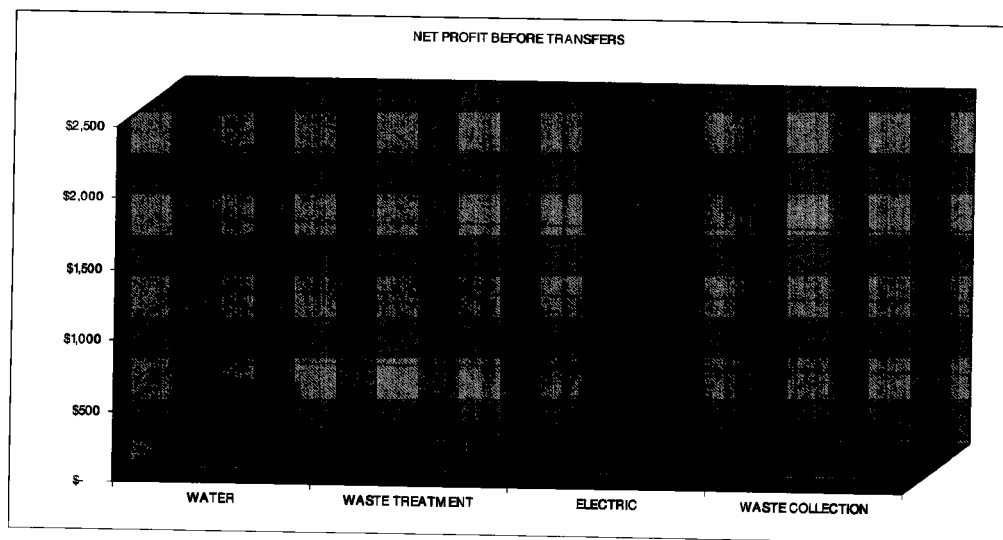
THE FOLLOWING GRAPHS SHOW THE PERCENTAGE OF THE NET COST OF SERVICES OF THE FOUR MAJOR COST CENTERS AND THE NET COST OF SERVICES FOR THE DEPARTMENTS WITHIN PUBLIC SAFETY.



BUSINESS-TYPE FUNDS

THE GOVERNMENT'S MAJOR ENTERPRISE FUND IS THE PUBLIC UTILITY FUND. THE ELECTRICAL, WATER, WASTE TREATMENT AND WASTE COLLECTION OPERATIONS ARE COMBINED UNDER THE PUBLIC UTILITY FUND. ONLY ONE BALANCE SHEET IS MAINTAINED FOR THE PUBLIC UTILITY FUND. THE FOLLOWING IS A SUMMARY OF THE NET PROFIT/(LOSS) OF EACH OF THE OPERATIONS OF THE PUBLIC UTILITY FUND (IN THOUSANDS).

| | NET PROFIT BEFORE TRANSFERS | | TRANSFERS IN | | TRANSFERS TO GENERAL FUND | | TO OTHER FUNDS | | NET PROFIT AFTER TRANSFERS | |
|------------------|--------------------------------|----------------|--------------|-------------|------------------------------|------------------|----------------|----------------|-------------------------------|----------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | | | | | | | | | |
| WATER | \$ 465 | \$ 266 | \$ — | \$ — | \$ (413) | \$ (406) | \$ (3) | \$ — | \$ 49 | \$ (140) |
| WASTE TREATMENT | 213 | 257 | (104) | 1 | (468) | (126) | — | (53) | (359) | 79 |
| ELECTRIC | 2,408 | 1,885 | 98 | (1) | (1,908) | (2,178) | (207) | (50) | 391 | (344) |
| WASTE COLLECTION | 258 | 224 | 6 | — | (205) | (115) | — | (28) | 59 | 81 |
| | <u>\$3,344</u> | <u>\$2,632</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$(2,994)</u> | <u>\$(2,825)</u> | <u>\$(210)</u> | <u>\$(131)</u> | <u>\$140</u> | <u>\$(324)</u> |



THE TRANSFERS TO THE GENERAL FUND HELP TO COVER THE COSTS OF SERVICES PROVIDED BY THE GENERAL FUND. AS SHOWN, THE TRANSFERS TO THE GENERAL AND OTHER FUNDS DECREASE THE PROFIT OF THE PUBLIC UTILITY FUND.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

THE FOCUS OF THE GOVERNMENT'S GOVERNMENTAL FUNDS IS TO PROVIDE INFORMATION ON NEAR-TERM INFLOWS, OUTFLOWS AND BALANCES OF SPENDABLE RESOURCES. SUCH INFORMATION IS USEFUL IN ASSESSING THE GOVERNMENT'S FINANCING REQUIREMENTS.

THE GOVERNMENT'S GOVERNMENTAL FUNDS (GENERAL, CAPITAL PROJECTS, DEBT SERVICE, AND SPECIAL REVENUE) REPORTED COMBINED FUND BALANCES OF \$4,809,000 AS OF JUNE 30, 2006 AND \$4,145,000 AS OF JUNE 30, 2005. THIS REPRESENTS AN INCREASE OF \$664,000 (16%) OVER LAST YEAR'S ENDING BALANCES, WHILE THE CHANGE FROM 2004 TO 2005 DECREASED \$583,000 (12%).

THE GENERAL FUND IS THE CHIEF OPERATING FUND OF THE GOVERNMENT. ALL ACTIVITIES WHICH ARE NOT REQUIRED TO BE ACCOUNTED FOR IN SEPARATE FUNDS EITHER BY STATE OR LOCAL ORDINANCE OR BY A DESIRE TO MAINTAIN A MATCHING OF REVENUES AND EXPENSES, ARE ACCOUNTED FOR IN THIS FUND. EXPENDITURES EXCEEDED REVENUES BY \$1,670,000 AS OF JUNE 30, 2006 AND \$1,714,000 AS OF JUNE 30, 2005. HOWEVER, AFTER INCLUDING OTHER FINANCING SOURCES THE DEFICIT BECAME A POSITIVE OF \$161,000 AS OF JUNE 30, 2006. AS OF JUNE 30, 2005, THERE WAS A DECREASE OF \$26,000. THESE CHANGES ARE MAINLY DUE TO THE TRANSFER RECEIVED FROM THE PUBLIC UTILITY FUND OF \$2,306,000 AS OF JUNE 30, 2006 AND \$2,155,000 AS OF JUNE 30, 2005. THUS THE GENERAL FUND TOTAL FUND BALANCE INCREASED BY 8.3% TO \$2,097,000 AS OF JUNE 30, 2006 AS COMPARED TO A DECREASE OF 1.2% TO \$1,936,000 FOR THE PRIOR YEAR. AN ANALYSIS OF THE UNRESTRICTED GENERAL FUND BALANCE AT JUNE 30, 2006 OF \$926,000 SHOWS THAT IT REPRESENTS JUST OVER 9.0% OF PROJECTED REVENUES FOR THE NEW FISCAL YEAR WHICH ENDS JUNE 30, 2007. STATE LAWS ALLOW FOR A MAXIMUM FUND BALANCE OF 18%, SO THE CITY IS WITHIN THOSE LIMITS.

TABLE 4
GENERAL FUND REVENUE AND TRANSFERS IN
(IN THOUSANDS)

| | <u>2006</u> | <u>2005</u> |
|----------------------------|-----------------|-----------------|
| TAXES - PROPERTY | \$ 623 | \$ 634 |
| TAXES - SALES | 2,562 | 2,322 |
| TAXES - OTHER | 878 | 792 |
| LICENSES AND PERMITS | 264 | 282 |
| INTERGOVERNMENTAL REVENUES | 1,506 | 1,905 |
| CHARGES FOR SERVICES | 1,992 | 1,851 |
| FINES AND FORFEITURES | 141 | 126 |
| MISCELLANEOUS | 646 | 481 |
| BOND & LEASE PROCEED | — | 9 |
| TRANSFERS IN | <u>2,306</u> | <u>2,155</u> |
| | <u>\$10,918</u> | <u>\$10,557</u> |

SALES TAXES CONTINUE TO BE THE LARGEST SOURCE OF GENERAL FUND REVENUE REPRESENTING 23.5% OF THE TOTAL IN 2006 AND 21% IN 2005. ALSO, THE GOVERNMENT'S POLICY OF TRANSFERRING FROM THE PUBLIC UTILITY FUNDS, MAINLY THE ELECTRIC OPERATION, TO SUPPLEMENT THE GENERAL FUND OPERATION ACCOUNTED FOR 21.1% OF THE TOTAL IN 2006 AND 20.4% IN 2005. THE FOLLOWING GRAPH ILLUSTRATES THE MAKE UP OF THE REVENUE SOURCES OF THE GENERAL FUND.

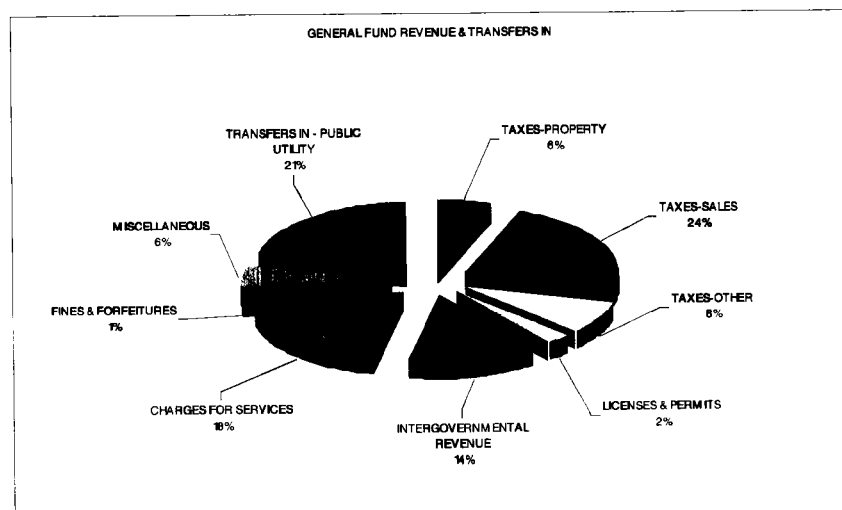
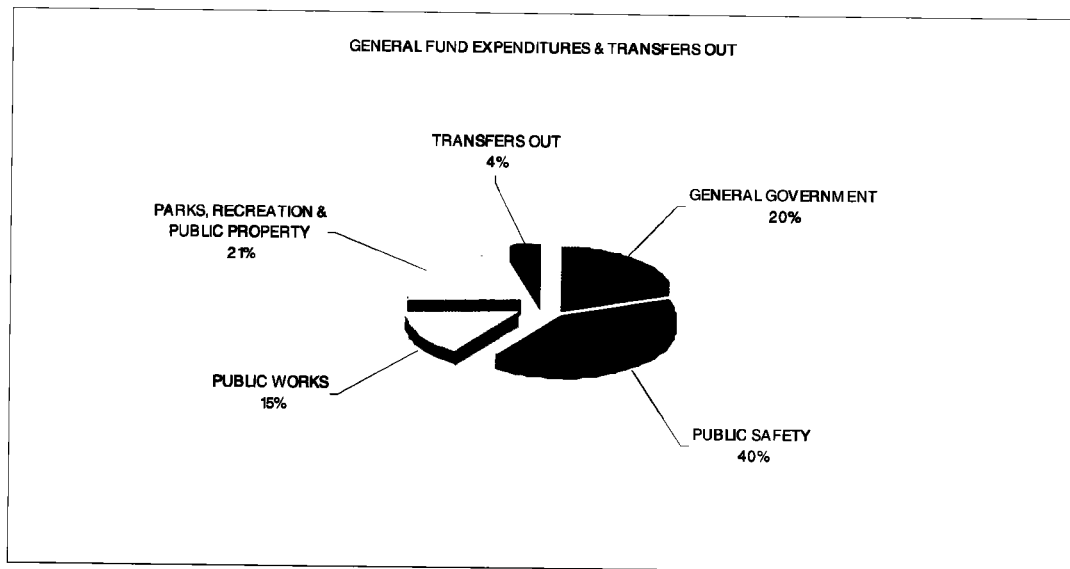


TABLE 5
GENERAL FUND EXPENDITURES AND TRANSFERS OUT
(IN THOUSANDS)

| | <u>2006</u> | <u>2005</u> |
|-------------------------------------|-----------------|-----------------|
| GENERAL GOVERNMENT | \$ 2,101 | \$ 1,873 |
| PUBLIC SAFETY | 4,297 | 4,605 |
| PUBLIC WORKS | 1,580 | 1,479 |
| PARKS, RECREATION & PUBLIC PROPERTY | 2,303 | 2,148 |
| TRANSFERS OUT | <u>475</u> | <u>477</u> |
| | <u>\$10,756</u> | <u>\$10,582</u> |

PUBLIC SAFETY CONTINUES TO BE THE MAJOR COST CENTER IN THE GENERAL FUND. THE POLICE ACCOUNTS FOR 59.4%, OR \$2,551,000, OF THE PUBLIC SAFETY OPERATIONS AND 23.7% OF THE TOTAL GENERAL FUND EXPENDITURES FOR THE YEAR 2006. WHILE AS OF JUNE 30, 2005, THE POLICE ACCOUNTED FOR 50.4% OR \$2,321,000, OF THE PUBLIC SAFETY OPERATION AND 21.9% OF THE TOTAL GENERAL FUND EXPENDITURES. THE PERCENT OF EACH AS OF JUNE 30, 2006 IS SHOWN IN THE FOLLOWING GRAPH.



GENERAL FUND BUDGETARY HIGHLIGHTS

DURING THE FISCAL YEAR, THE GENERAL FUND ORIGINAL BUDGET WAS AMENDED FROM AN ORIGINAL BUDGETED EXPENDITURE TOTAL OF \$9,809,000 TO A FINAL BUDGET OF \$11,172,000, AN INCREASE FROM THE ORIGINAL BUDGET OF 13.9%. THESE INCREASES (MAINLY FROM GRANT FUNDS) WERE MADE TO TAKE ADVANTAGE OF REVENUES BEING GREATER THAN ORIGINALLY ANTICIPATED. THE INCREASE IN THE JUNE 30, 2005 ORIGINAL BUDGET TO THE FINAL BUDGET WAS 24%.

THE GENERAL FUND DID NOT OVER EXPEND THE 2005-06 BUDGET. HOWEVER, THE FIRE AND STREET DEPARTMENTS EXPENDED MORE THAN BUDGET BY \$23,000 AND \$67,000, RESPECTIVELY. THE ACTUAL EXPENDITURES EXCEEDED THE ACTUAL REVENUE BY \$161,000. THE GOVERNMENT HAD BUDGETED IN THE 2005-06 BUDGET TO USE \$249,000 OF UNAPPROPRIATED FUND BALANCE; HOWEVER, NO UNAPPROPRIATED FUND BALANCE WAS USED.

SPECIAL ASSESSMENT BOND #22 FUND

SPECIAL ASSESSMENT DISTRICTS ARE FORMED BY THE MAJORITY VOTE OF THE PROPERTY OWNERS WHO WANT INFRASTRUCTURES IN THE PUBLIC RIGHT-OF-WAY ABUTTING THEIR PROPERTY. THE COSTS OF THE INFRASTRUCTURES ARE ASSESSED TO ALL THE PROPERTY OWNERS OF THE DISTRICT AT THE END OF THE CONSTRUCTION PERIOD. THE UNPAID ASSESSMENTS (COSTS) ARE FUNDED BY ISSUING SPECIAL ASSESSMENT BONDS. THOSE UNPAID ASSESSMENTS ARE THEN PAID TO THE GOVERNMENT OVER THE LIFE OF THE BONDS AT THE SAME RATE OF INTEREST AS THE BONDS. SPECIAL ASSESSMENT DISTRICT #22

ACCOUNTS FOR THE COLLECTION OF THE YEARLY ASSESSMENT AND THE PAYMENT OF THE DEBT SERVICE OF THE BONDS. THE FOLLOWING IS A COMPARISON OF THE FUND:

TABLE 6

| | <u>2006</u> | <u>2005</u> |
|------------------------|------------------|------------------|
| ASSESSMENT PAYMENTS | \$253,000 | \$254,000 |
| DEBT SERVICE | (234,000) | (236,000) |
| OTHER FINANCING | — | 31,000 |
| CHANGE IN FUND BALANCE | <u>\$ 19,000</u> | <u>\$ 49,000</u> |

CAPITAL PROJECT - AIRPORT FUND

THE CAPITAL PROJECT-AIRPORT FUND ACCOUNTS FOR THE CAPITAL IMPROVEMENTS TO THE GOVERNMENT'S AIRPORT. THE FEDERAL AVIATION AGENCY (FAA) FUNDS 95% OF THE IMPROVEMENTS. THE STATE OF UTAH AND THE GOVERNMENT PROVIDE THE OTHER 5% EQUALLY. THE FOLLOWING IS A COMPARISON OF THIS FUND.

TABLE 7

| | <u>2006</u> | <u>2005</u> |
|----------------------|--------------------|--------------------|
| FAA REVENUE | \$7,668,000 | \$1,559,000 |
| STATE REVENUE | 203,000 | 143,000 |
| CITY REVENUE | 163,000 | 81,000 |
| | <u>\$8,034,000</u> | <u>\$1,783,000</u> |
| CAPITAL EXPENDITURES | <u>7,756,000</u> | <u>1,691,000</u> |
| | <u>\$ 278,000</u> | <u>\$ 92,000</u> |

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

AT JUNE 30, 2006, THE GOVERNMENT HAD \$56,195,000 NET INVESTMENT IN A BROAD RANGE OF CAPITAL ASSETS, INCLUDING POLICE AND FIRE EQUIPMENT, BUILDINGS, PARK FACILITIES, ROADS, BRIDGES, WATER AND SEWER LINES, WASTE TREATMENT PLANT, ELECTRICAL SYSTEM AND STORM DRAIN. THIS AMOUNT REPRESENTS A NET INCREASE (INCLUDING ADDITIONS AND DEDUCTIONS) OF \$5,724,000, OR 11.3% OVER LAST YEAR. THE NET INCREASE FROM JUNE 30, 2004 TO JUNE 30, 2005 WAS \$124,000 OR .2%.

TABLE 8
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION, IN THOUSANDS)

| | <u>GOVERNMENTAL ACTIVITIES</u> | | <u>BUSINESS-TYPE ACTIVITIES</u> | | <u>TOTALS</u> | |
|-----------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| LAND | \$ 4,890 | \$ 4,831 | \$ 1,143 | \$ 1,143 | \$ 6,033 | \$ 5,028 |
| BUILDINGS | 7,674 | 7,637 | 11,353 | 11,313 | 19,027 | 18,950 |
| IMPROVEMENTS OTHER THAN BUILDINGS | 32,441 | 24,656 | 32,573 | 31,415 | 65,014 | 54,218 |
| EQUIPMENT | 8,046 | 7,751 | 517 | 520 | 8,563 | 8,271 |
| SUBTOTAL | 53,051 | 44,875 | 45,586 | 44,391 | 98,637 | 89,266 |
| ACCUMULATED DEPRECIATION | (18,076) | (15,988) | (24,366) | (22,808) | (42,442) | (38,796) |
| TOTALS | <u>\$34,975</u> | <u>\$28,887</u> | <u>\$21,220</u> | <u>\$21,583</u> | <u>\$56,195</u> | <u>\$50,470</u> |

THE YEAR'S MAJOR ADDITIONS IN THE GOVERNMENTAL ACTIVITIES INCLUDED INFRASTRUCTURE WITHIN THE CITY AND AT THE GOVERNMENT'S AIRPORT. ADDITIONS TO BUSINESS-TYPE ACTIVITIES INCLUDED WATER PROJECTS AND OTHER INFRASTRUCTURE PROJECTS.

THE GOVERNMENT'S 2007 CAPITAL BUDGET ANTICIPATES A SPENDING LEVEL OF \$11,553,000 FOR CAPITAL PROJECTS. THE MAJOR PORTION OF THE ANTICIPATED SPENDING WILL BE AT THE GOVERNMENT'S AIRPORT (\$8,421,000) AND TO REPLACE THE UTILITY INFRASTRUCTURE ON MAIN STREET (\$1,142,000). MORE DETAILED INFORMATION ABOUT THE GOVERNMENT'S CAPITAL ASSETS IS PRESENTED IN THE NOTE 6 TO THE BASIC FINANCIAL STATEMENTS.

DEBT

AT YEAR-END, THE GOVERNMENT HAD \$8,364,000 IN BONDS AND NOTES OUTSTANDING VERSUS \$9,419,000 LAST YEAR, A DECREASE OF 11.2% AS SHOWN IN TABLE BELOW.

TABLE 9
OUTSTANDING DEBT AT YEAR-END
(IN THOUSANDS)

| | <u>GOVERNMENTAL ACTIVITIES</u> | | <u>BUSINESS-TYPE ACTIVITIES</u> | | <u>TOTALS</u> | |
|---|--------------------------------|----------------|---------------------------------|----------------|----------------|----------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| GENERAL OBLIGATION BONDS (BACKED BY THE GOVERNMENT) | \$5,393 | \$5,884 | \$ — | \$ — | \$5,393 | \$5,884 |
| GENERAL OBLIGATION REVENUE BONDS AND NOTES (BACKED BY SPECIFIC REVENUES AND THE GOVERNMENT) | <u>1,421</u> | <u>1,985</u> | <u>1,550</u> | <u>1,550</u> | <u>2,971</u> | <u>3,535</u> |
| TOTALS | <u>\$6,814</u> | <u>\$7,869</u> | <u>\$1,550</u> | <u>\$1,550</u> | <u>\$8,364</u> | <u>\$9,419</u> |

THE BOND RATING AGENCIES HAVE RATED THE GOVERNMENT'S OUTSTANDING BONDS AS FOLLOWS:

MOODY'S
INVESTOR'S SERVICE

GENERAL OBLIGATION BONDS
WATER, SEWER AND ELECTRIC REVENUE BONDS
SERIES 2001

A

Aaa

UNDER CURRENT STATE STATUTES, THE GOVERNMENT'S GENERAL OBLIGATION BONDED DEBT ISSUANCES ARE SUBJECT TO A LEGAL LIMITATION BASED ON 4 PERCENT OF THE VALUE OF THE TAXABLE PROPERTY. AS OF JUNE 30, 2006, THE GOVERNMENT'S GENERAL OBLIGATION BONDED DEBT WAS WELL BELOW THE LEGAL LIMIT OF \$24,249,000.

SUBSEQUENT EVENT

ON JULY 6, 2006 THE GOVERNMENT ISSUED WATER, SEWER AND ELECTRIC REVENUE BONDS, SERIES 2006A AND SERIES 2006B. THE SERIES 2006A BONDS REFUNDED THE SERIES 2001 BONDS. THE ANNUAL REQUIREMENTS REMAINED THE SAME AS THE ORIGINAL SERIES 2001 BONDS. THE SERIES 2006B BONDS FOR \$6,000,000 WERE ISSUED TO CONSTRUCT A STORM DRAIN SYSTEM.

ADDITIONAL INFORMATION ON THE OUTSTANDING DEBT OBLIGATIONS OF THE GOVERNMENT CAN BE FOUND IN THE NOTE 16 TO THE BASIC FINANCIAL STATEMENTS.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- THE UNEMPLOYMENT RATE FOR BOX ELDER COUNTY (OF WHICH THE GOVERNMENT IS THE LARGEST CITY) WAS 3.1% COMPARED WITH A STATE UNEMPLOYMENT RATE OF 3.2% AND A NATIONAL RATE OF 4.7%.
- THE GENERAL FUND BUDGET FOR THE FISCAL YEAR-ENDING JUNE 30, 2007 REFLECTS A DECREASE OF 7.9% FROM THE FINAL BUDGET FOR THE FISCAL YEAR-ENDED JUNE 30, 2006.

REQUESTS FOR INFORMATION

THIS FINANCIAL REPORT IS DESIGNED TO PROVIDE A GENERAL OVERVIEW OF BRIGHAM CITY CORPORATION'S FINANCES FOR ALL THOSE WITH AN INTEREST IN THE GOVERNMENT'S FINANCES. QUESTIONS CONCERNING ANY INFORMATION PROVIDED IN THIS REPORT OR REQUESTS FOR ADDITIONAL FINANCIAL INFORMATION SHOULD BE ADDRESSED TO: BRIGHAM CITY CORPORATION, FINANCE DIRECTOR, P.O. BOX 1005, BRIGHAM CITY, UT 84302.

BRIGHAM CITY CORPORATION
STATEMENT OF NET ASSETS
JUNE 30, 2006

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| CASH AND CASH EQUIVALENTS | \$ 6,578,810 | \$ 1,699,200 | \$ 8,278,010 |
| RECEIVABLES (NET) | 3,081,755 | 1,940,606 | 5,022,361 |
| INVENTORIES | 17,427 | 431,132 | 448,559 |
| PREPAID ASSETS | <u>90,363</u> | <u>38,660</u> | <u>129,023</u> |
| TOTAL CURRENT ASSETS | <u>9,768,355</u> | <u>4,109,598</u> | <u>13,877,953</u> |
| NONCURRENT ASSETS: | | | |
| CAPITAL ASSETS: | | | |
| LAND | 4,889,959 | 1,142,450 | 6,032,409 |
| NET DEPRECIABLE CAPITAL ASSETS | <u>30,084,240</u> | <u>20,077,751</u> | <u>50,161,991</u> |
| TOTAL NONCURRENT ASSETS | <u>34,974,199</u> | <u>21,220,201</u> | <u>56,194,400</u> |
| TOTAL ASSETS | <u>\$ 44,742,554</u> | <u>\$ 25,329,799</u> | <u>\$ 70,072,353</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES: | | | |
| ACCOUNTS PAYABLE AND ACCRUED EXPENSES | \$ 2,828,302 | \$ 1,281,978 | \$ 4,110,280 |
| DEFERRED INCOME | 1,129,825 | - | 1,129,825 |
| CURRENT PORTION OF LONG-TERM DEBT | <u>985,520</u> | <u>110,429</u> | <u>1,095,949</u> |
| TOTAL CURRENT LIABILITIES | <u>4,943,647</u> | <u>1,392,407</u> | <u>6,336,054</u> |
| NONCURRENT LIABILITIES: | | | |
| LONG-TERM DEBT (BONDS, NOTES & CAPITAL LEASES), NET OF CURRENT PORTION AND BOND ISSUANCE COSTS | <u>5,554,405</u> | <u>1,557,643</u> | <u>7,112,048</u> |
| TOTAL NONCURRENT LIABILITIES | <u>5,554,405</u> | <u>1,557,643</u> | <u>7,112,048</u> |
| TOTAL LIABILITIES | <u>10,498,052</u> | <u>2,950,050</u> | <u>13,448,102</u> |
| NET ASSETS | | | |
| INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT | 28,434,274 | 19,552,129 | 47,986,403 |
| RESTRICTED FOR: | | | |
| CAPITAL PROJECTS | 1,479,407 | - | 1,479,407 |
| DEBT SERVICE | 679,927 | 315,957 | 995,884 |
| OTHER PURPOSES | 941,919 | - | 941,919 |
| UNRESTRICTED (DEFICIT) | <u>2,708,975</u> | <u>2,511,663</u> | <u>5,220,638</u> |
| TOTAL NET ASSETS | <u>34,244,502</u> | <u>22,379,749</u> | <u>56,624,251</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 44,742,554</u> | <u>\$ 25,329,799</u> | <u>\$ 70,072,353</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES | | |
|--------------------------------------|------------------------|-------------------------|--|--|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS |
| GOVERNMENTAL ACTIVITIES: | | | | |
| GENERAL GOVERNMENT | \$ (2,004,209) | \$ 20,235 | \$ 276,315 | \$ - |
| PUBLIC SAFETY | (4,389,712) | 859,516 | 171,189 | 409,186 |
| PUBLIC WORKS | (2,640,303) | 991,702 | - | 7,885,924 |
| CULTURE, PARKS AND RECREATION | (3,777,252) | 1,418,640 | 248,294 | 3,217 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | (480,743) | - | 80,081 | - |
| INTEREST ON LONG TERM DEBT | (310,956) | - | - | - |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>(13,603,175)</u> | <u>3,290,093</u> | <u>775,879</u> | <u>8,298,327</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| WATER | (1,433,978) | 1,898,811 | - | - |
| WASTE TREATMENT | (1,617,149) | 1,830,315 | - | - |
| ELECTRIC | (6,773,513) | 9,181,507 | - | - |
| WASTE COLLECTION | (702,979) | 960,964 | - | - |
| STORM DRAINAGE | (364,142) | 776,292 | - | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>(10,891,761)</u> | <u>14,647,889</u> | <u>-</u> | <u>-</u> |
| TOTAL DIRECT ACTIVITIES | <u>\$ (24,494,936)</u> | <u>\$ 17,937,982</u> | <u>\$ 775,879</u> | <u>\$ 8,298,327</u> |
| GENERAL REVENUES: | | | | |
| PROPERTY TAXES | | | | |
| SALES TAXES | | | | |
| FRANCHISE TAXES | | | | |
| GRANTS AND CONTRIBUTION-UNRESTRICTED | | | | |
| INTEREST AND INVESTMENT EARNINGS | | | | |
| MISCELLANEOUS | | | | |
| TRANSFERS--INTERNAL ACTIVITY | | | | |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | |
| CHANGE IN NET ASSETS | | | | |
| NET ASSETS--BEGINNING | | | | |
| NET ASSETS--ENDING | | | | |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

(CONTINUED)

| FUNCTIONS/PROGRAMS | CHANGES IN NET ASSETS | | |
|--------------------------------------|----------------------------|-----------------------------|----------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| GOVERNMENTAL ACTIVITIES: | | | |
| GENERAL GOVERNMENT | \$ (1,707,659) | \$ - | \$ (1,707,659) |
| PUBLIC SAFETY | (2,949,821) | - | (2,949,821) |
| PUBLIC WORKS | 6,237,323 | - | 6,237,323 |
| CULTURE, PARKS AND RECREATION | (2,107,101) | - | (2,107,101) |
| COMMUNITY AND ECONOMIC DEVELOPMENT | (400,662) | - | (400,662) |
| INTEREST ON LONG TERM DEBT | (310,956) | - | (310,956) |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>(1,238,876)</u> | <u>-</u> | <u>(1,238,876)</u> |
| BUSINESS-TYPE ACTIVITIES: | | | |
| WATER | - | 464,833 | 464,833 |
| WASTE TREATMENT | - | 213,166 | 213,166 |
| ELECTRIC | - | 2,407,994 | 2,407,994 |
| WASTE COLLECTION | - | 257,985 | 257,985 |
| STORM DRAINAGE | - | 412,150 | 412,150 |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>-</u> | <u>3,756,128</u> | <u>3,756,128</u> |
| TOTAL DIRECT ACTIVITIES | <u>(1,238,876)</u> | <u>3,756,128</u> | <u>2,517,252</u> |
| GENERAL REVENUES: | | | |
| PROPERTY TAXES | \$ 2,061,502 | \$ - | \$ 2,061,502 |
| SALES TAXES | 2,561,715 | - | 2,561,715 |
| FRANCHISE TAXES | 878,071 | - | 878,071 |
| GRANTS AND CONTRIBUTION-UNRESTRICTED | 20,949 | - | 20,949 |
| INTEREST AND INVESTMENT EARNINGS | 370,242 | - | 370,242 |
| MISCELLANEOUS | 338,389 | - | 338,389 |
| TRANSFERS--INTERNAL ACTIVITY | 3,228,906 | (3,228,906) | - |
| TOTAL GENERAL REVENUES AND TRANSFERS | <u>9,459,774</u> | <u>(3,228,906)</u> | <u>6,230,868</u> |
| CHANGE IN NET ASSETS | 8,220,898 | 527,222 | 8,748,120 |
| NET ASSETS--BEGINNING | <u>26,023,604</u> | <u>21,852,527</u> | <u>47,876,131</u> |
| NET ASSETS--ENDING | <u>\$ 34,244,502</u> | <u>\$ 22,379,749</u> | <u>\$ 56,624,251</u> |

BRIGHAM CITY CORPORATION

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2006

| | GENERAL FUND | SPECIAL ASSESSMENT BONDS #22 FUND | CAPITAL PROJECT AIRPORT FUND | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|-------------------------------------|---------------------|--|---------------------------------------|--|--------------------------------|
| ASSETS | | | | | |
| CASH AND CASH EQUIVALENTS | \$ 2,266,954 | \$ 117,450 | \$ 704,226 | \$ 2,152,052 | \$ 5,240,682 |
| RECEIVABLES (NET) | 280,901 | 783,407 | 1,293,825 | 339,560 | 2,697,693 |
| INTERFUND RECEIVABLES | 227,659 | - - | - - | 156,403 | 384,062 |
| INVENTORIES | - - | - - | - - | - - | - - |
| PREPAID ASSETS | 79,786 | - - | - - | 5,539 | 85,325 |
| TOTAL ASSETS | <u>\$ 2,855,300</u> | <u>\$ 900,857</u> | <u>\$ 1,998,051</u> | <u>\$ 2,653,554</u> | <u>\$ 8,407,762</u> |
| LIABILITIES | | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ 745,546 | - - | \$ 1,275,763 | \$ 63,669 | \$ 2,084,978 |
| INTERFUND PAYABLES | - - | - - | - - | 384,062 | 384,062 |
| DEFERRED INCOME | 12,964 | 783,407 | - - | 333,454 | 1,129,825 |
| TOTAL LIABILITIES | <u>758,510</u> | <u>783,407</u> | <u>1,275,763</u> | <u>781,185</u> | <u>3,598,865</u> |
| FUND BALANCES | | | | | |
| RESERVED FOR SPECIFIC PURPOSES | 1,170,420 | - - | - - | 31,307 | 1,201,727 |
| UNRESERVED, REPORTED IN: | | | | | |
| CAPITAL PROJECT FUNDS | - - | - - | 722,288 | 757,119 | 1,479,407 |
| DEBT SERVICE FUNDS | - - | 117,450 | - - | 562,477 | 679,927 |
| SPECIAL REVENUE FUNDS | - - | - - | - - | 521,466 | 521,466 |
| GENERAL FUND | 926,370 | - - | - - | - - | 926,370 |
| TOTAL FUND BALANCES | <u>2,096,790</u> | <u>117,450</u> | <u>722,288</u> | <u>1,872,369</u> | <u>4,808,897</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 2,855,300</u> | <u>\$ 900,857</u> | <u>\$ 1,998,051</u> | <u>\$ 2,653,554</u> | <u>\$ 8,407,762</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

TOTAL
GOVERNMENTAL
FUNDS

TOTAL GOVERNMENTAL FUND BALANCES

\$ 4,808,897

AMOUNTS REPORTED IN THE STATEMENT OF NET
ASSETS ARE DIFFERENT BECAUSE:

CAPITAL ASSETS USED IN GOVERNMENTAL
ACTIVITIES ARE NOT FINANCIAL
RESOURCES AND THEREFORE ARE NOT
REPORTED IN THE FUNDS

32,482,681

LONG-TERM LIABILITIES ARE NOT DUE
AND PAYABLE IN THE CURRENT PERIOD
AND THEREFORE ARE NOT REPORTED IN
THE FUNDS

(6,719,485)

ELIMINATION OF INTERFUND OPERATION
PROFITS ARE NOT REQUIRED AND
THEREFORE ARE NOT REPORTED IN THE
FUNDS

(244,495)

FUND BALANCE IN THE INTERNAL SERVICE
FUND IS NOT REPORTED IN THE
GOVERNMENTAL FUNDS

3,916,904

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 34,244,502

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006

| | GENERAL FUND | SPECIAL ASSESSMENT BONDS #22 FUND | CAPITAL PROJECT AIRPORT FUND | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------|--|---------------------------------------|--|--------------------------------|
| REVENUES: | | | | | |
| TAXES | \$ 4,062,689 | \$ - | \$ - | \$ 1,438,599 | \$ 5,501,288 |
| LICENSES AND PERMITS | 264,107 | - | - | - | 264,107 |
| INTERGOVERNMENTAL REVENUE | 1,505,512 | - | 7,870,971 | 38,812 | 9,415,295 |
| CHARGES FOR SERVICES | 1,991,960 | - | - | 707,805 | 2,699,765 |
| FINES AND FORFEITURES | 140,865 | - | - | 31,717 | 172,582 |
| MISCELLANEOUS | 646,000 | 253,426 | - | 469,349 | 1,368,775 |
| TOTAL REVENUES | 8,611,133 | 253,426 | 7,870,971 | 2,686,282 | 19,421,812 |
| EXPENDITURES: | | | | | |
| CURRENT: | | | | | |
| GENERAL GOVERNMENT | 2,101,478 | - | - | - | 2,101,478 |
| PUBLIC SAFETY | 4,297,025 | - | - | 160,426 | 4,457,451 |
| PUBLIC WORKS | 1,579,689 | - | - | 88,288 | 1,667,977 |
| PARKS, RECREATION AND PUBLIC PROPERTY | 2,303,241 | - | - | 1,171,134 | 3,474,375 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | - | - | - | 614,170 | 614,170 |
| CAPITAL OUTLAY | - | - | 7,755,599 | 35,498 | 7,791,097 |
| DEBT SERVICE: | | | | | |
| PRINCIPAL | - | 202,000 | - | 653,000 | 855,000 |
| INTEREST AND FISCAL CHARGES | - | 32,236 | - | 278,720 | 310,956 |
| TOTAL EXPENDITURES | 10,281,433 | 234,236 | 7,755,599 | 3,001,236 | 21,272,504 |
| EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES | (1,670,300) | 19,190 | 115,372 | (314,954) | (1,850,692) |
| OTHER FINANCING SOURCES [USES]: | | | | | |
| TRANSFERS IN | 2,306,039 | - | 163,157 | 868,674 | 3,337,870 |
| TRANSFERS OUT | (475,044) | - | - | (347,738) | (822,782) |
| ISSUANCE OF BONDS AND LEASES | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES [USES] | 1,830,995 | - | 163,157 | 520,936 | 2,515,088 |
| NET CHANGE IN FUND BALANCE | 160,695 | 19,190 | 278,529 | 205,982 | 664,396 |
| FUND BALANCE AT BEGINNING OF YEAR | 1,936,095 | 98,260 | 443,759 | 1,666,387 | 4,144,501 |
| FUND BALANCE AT END OF YEAR | \$ 2,096,790 | \$ 117,450 | \$ 722,288 | \$ 1,872,369 | \$ 4,808,897 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

TOTAL
GOVERNMENTAL
FUNDS

NET CHANGE IN FUND BALANCES \$ 664,396

AMOUNTS REPORTED FOR GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF
ACTIVITIES ARE DIFFERENT BECAUSE:

GOVERNMENTAL FUNDS REPORT CAPITAL
OUTLAYS AS EXPENDITURES. HOWEVER
IN THE STATEMENT OF ACTIVITIES
THE COST OF THOSE ASSETS IS
ALLOCATED OVER THEIR ESTIMATED
LIVES AS DEPRECIATION EXPENSE:

| | |
|----------------------|-------------|
| CAPITAL OUTLAY | 8,089,931 |
| DEPRECIATION EXPENSE | (1,635,526) |

REPAYMENT OF BOND PRINCIPAL IS AN
EXPENDITURE IN THE GOVERNMENTAL
FUNDS, ON THE STATEMENT OF NET
ASSETS IT REDUCES LONG-TERM
LIABILITIES

1,055,000

BOND PROCEEDS IS A REVENUE IN THE
GOVERNMENTAL FUNDS, BUT THE
PROCEEDS INCREASE LONG-TERM DEBT
IN THE STATEMENT OF NET ASSETS

- -

IN THE STATEMENT OF ACTIVITIES,
INTEREST ON OUTSTANDING BONDS AND
SALARY ON COMPENSATED ABSENCES ARE
ACCRUED, WHEREAS IN GOVERNMENTAL
FUNDS, THE EXPENSE IS REPORTED
WHEN DUE

(36,980)

ELIMINATION OF INTERFUND OPERATIONS
PROFITS ARE NOT REPORTED IN THE
GOVERNMENTAL FUNDS

(38,269)

NET REVENUE OF INTERNAL SERVICE FUND
NOT REPORTED IN THE GOVERNMENTAL
FUNDS

122,346

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES

\$ 8,220,898

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|----------------------------------|-------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES: | | | | |
| GENERAL PROPERTY TAXES | \$ 585,000 | \$ 585,000 | \$ 622,903 | \$ 37,903 |
| GENERAL SALES AND USE TAXES | 2,270,000 | 2,450,000 | 2,561,715 | 111,715 |
| FRANCHISE TAXES | <u>648,255</u> | <u>728,255</u> | <u>878,071</u> | <u>149,816</u> |
| TOTAL TAXES | <u>3,503,255</u> | <u>3,763,255</u> | <u>4,062,689</u> | <u>299,434</u> |
| LICENSES AND PERMITS: | | | | |
| BUSINESS LICENSES | 42,400 | 42,400 | 46,349 | 3,949 |
| OTHER LICENSES AND PERMITS | <u>224,934</u> | <u>224,934</u> | <u>217,758</u> | <u>(7,176)</u> |
| TOTAL LICENSES AND PERMITS | <u>267,334</u> | <u>267,334</u> | <u>264,107</u> | <u>(3,227)</u> |
| INTERGOVERNMENTAL REVENUES: | | | | |
| FEDERAL GRANTS | 499,500 | 1,171,500 | 781,670 | (389,830) |
| STATE GRANTS | 37,000 | 37,000 | 60,339 | 23,339 |
| STATE SHARED REVENUE | <u>634,000</u> | <u>634,000</u> | <u>663,503</u> | <u>29,503</u> |
| TOTAL INTERGOVERNMENTAL REVENUES | <u>1,170,500</u> | <u>1,842,500</u> | <u>1,505,512</u> | <u>(336,988)</u> |
| CHARGES FOR SERVICES: | | | | |
| GENERAL GOVERNMENT | 844,145 | 844,145 | 842,739 | (1,406) |
| PUBLIC SAFETY | 487,591 | 617,591 | 620,360 | 2,769 |
| PARKS AND RECREATION | 340,500 | 350,500 | 356,106 | 5,606 |
| CEMETERIES | 134,347 | 151,347 | 158,232 | 6,885 |
| MISCELLANEOUS SERVICES | <u>500</u> | <u>1,500</u> | <u>14,523</u> | <u>13,023</u> |
| TOTAL CHARGES FOR SERVICES | <u>1,807,083</u> | <u>1,965,083</u> | <u>1,991,960</u> | <u>26,877</u> |
| FINES AND FORFEITURES: | | | | |
| FINES AND FORFEITURES | <u>134,500</u> | <u>134,500</u> | <u>140,865</u> | <u>6,365</u> |
| TOTAL FINES AND FORFEITURES | <u>134,500</u> | <u>134,500</u> | <u>140,865</u> | <u>6,365</u> |
| MISCELLANEOUS REVENUE: | | | | |
| INTEREST INCOME | 110,000 | 260,000 | 319,993 | 59,993 |
| RENTS AND CONCESSIONS | 16,980 | 16,980 | 16,834 | (146) |
| SENIOR CITIZENS | 224,444 | 269,444 | 239,349 | (30,095) |
| MUSEUM GALLERY | 20,600 | 20,600 | 12,455 | (8,145) |
| OTHER | <u>61,100</u> | <u>77,100</u> | <u>57,369</u> | <u>(19,731)</u> |
| TOTAL MISCELLANEOUS REVENUES | <u>433,124</u> | <u>644,124</u> | <u>646,000</u> | <u>1,876</u> |
| TOTAL REVENUES | <u>7,315,796</u> | <u>8,616,796</u> | <u>8,611,133</u> | <u>(5,663)</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|-----------------------------------|-------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| EXPENDITURES: | | | | |
| GENERAL GOVERNMENT: | | | | |
| CITY COUNCIL: | | | | |
| PERSONNEL SERVICES | \$ 42,263 | \$ 50,263 | \$ 41,226 | \$ 9,037 |
| SUPPLIES | 4,750 | 5,750 | 2,187 | 3,563 |
| OTHER SERVICES AND CHARGES | 36,500 | 54,500 | 52,470 | 2,030 |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL CITY COUNCIL | <u>83,513</u> | <u>110,513</u> | <u>95,883</u> | <u>14,630</u> |
| MAYOR'S OFFICE: | | | | |
| PERSONNEL SERVICES | 264,184 | 214,666 | 201,386 | 13,280 |
| SUPPLIES | 41,300 | 47,400 | 44,043 | 3,357 |
| OTHER SERVICES AND CHARGES | 163,400 | 78,000 | 73,740 | 4,260 |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL MAYOR'S OFFICE | <u>468,884</u> | <u>340,066</u> | <u>319,169</u> | <u>20,897</u> |
| ADMINISTRATIVE: | | | | |
| PERSONNEL SERVICES | 348,162 | 355,662 | 338,677 | 16,985 |
| SUPPLIES | 63,600 | 55,600 | 47,834 | 7,766 |
| OTHER SERVICES AND CHARGES | 164,600 | 219,600 | 214,503 | 5,097 |
| CAPITAL OUTLAY | - - | 4,500 | 4,259 | 241 |
| TOTAL ADMINISTRATIVE | <u>576,362</u> | <u>635,362</u> | <u>605,273</u> | <u>30,089</u> |
| BUILDINGS: | | | | |
| PERSONNEL SERVICES | 110,236 | 110,036 | 108,521 | 1,515 |
| SUPPLIES | 45,265 | 74,365 | 72,948 | 1,417 |
| OTHER SERVICES AND CHARGES | 94,074 | 86,174 | 78,222 | 7,952 |
| CAPITAL OUTLAY | 7,000 | 10,000 | 9,554 | 446 |
| TOTAL BUILDINGS | <u>256,575</u> | <u>280,575</u> | <u>269,245</u> | <u>11,330</u> |
| PLANNING AND ECONOMIC DEVELOPMENT | | | | |
| PERSONNEL SERVICES | 101,712 | 100,512 | 99,131 | 1,381 |
| SUPPLIES | 8,300 | 10,100 | 9,384 | 716 |
| OTHER SERVICES AND CHARGES | 88,800 | 113,200 | 112,912 | 288 |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PLANNING AND ZONING | <u>198,812</u> | <u>223,812</u> | <u>221,427</u> | <u>2,385</u> |
| RISK MANAGEMENT: | | | | |
| PERSONNEL SERVICE | - - | 90,718 | 84,598 | 6,120 |
| SUPPLIES | 1,000 | 3,000 | 2,105 | 895 |
| OTHER SUPPLIES AND CHARGES | <u>359,500</u> | <u>516,600</u> | <u>503,778</u> | <u>12,822</u> |
| TOTAL RISK MANAGEMENT | <u>360,500</u> | <u>610,318</u> | <u>590,481</u> | <u>19,837</u> |
| TOTAL GENERAL GOVERNMENT | <u>1,944,646</u> | <u>2,200,646</u> | <u>2,101,478</u> | <u>99,168</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|-------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| PUBLIC SAFETY: | | | | |
| POLICE: | | | | |
| PERSONNEL SERVICES | \$ 1,960,223 | \$ 1,950,723 | \$ 1,913,733 | \$ 36,990 |
| SUPPLIES | 175,951 | 178,451 | 174,404 | 4,047 |
| OTHER SERVICES AND CHARGES | 237,961 | 462,461 | 443,563 | 18,898 |
| CAPITAL OUTLAY | 18,500 | 20,000 | 19,701 | 299 |
| TOTAL POLICE | <u>2,392,635</u> | <u>2,611,635</u> | <u>2,551,401</u> | <u>60,234</u> |
| EMERGENCY SERVICES: | | | | |
| PERSONNEL SERVICES | 348,331 | 432,531 | 425,508 | 7,023 |
| SUPPLIES | 90,591 | 151,091 | 145,812 | 5,279 |
| OTHER SERVICES AND CHARGES | 289,248 | 349,848 | 339,750 | 10,098 |
| CAPITAL OUTLAY | 17,000 | 357,700 | 370,107 | (12,407) |
| TOTAL EMERGENCY SERVICES | <u>745,170</u> | <u>1,291,170</u> | <u>1,281,177</u> | <u>9,993</u> |
| COMMUNITY DEVELOPMENT/INSPECTION: | | | | |
| PERSONNEL SERVICES | 410,136 | 400,636 | 385,193 | 15,443 |
| SUPPLIES | 17,549 | 27,749 | 20,809 | 6,940 |
| OTHER SERVICES AND CHARGES | 35,176 | 50,676 | 47,976 | 2,700 |
| CAPITAL OUTLAY | 30,000 | 13,800 | 10,469 | 3,331 |
| TOTAL COMMUNITY DEVELOPMENT/ INSPECTION | <u>492,861</u> | <u>492,861</u> | <u>464,447</u> | <u>28,414</u> |
| TOTAL PUBLIC SAFETY | <u>3,630,666</u> | <u>4,395,666</u> | <u>4,297,025</u> | <u>98,641</u> |
| PUBLIC WORKS: | | | | |
| STREETS AND HIGHWAYS: | | | | |
| PERSONNEL SERVICES | 442,697 | 438,197 | 434,615 | 3,582 |
| SUPPLIES | 159,333 | 175,333 | 173,434 | 1,899 |
| OTHER SERVICES AND CHARGES | 729,702 | 746,202 | 739,696 | 6,506 |
| CAPITAL OUTLAY | 58,500 | 43,500 | 122,128 | (78,628) |
| TOTAL STREETS AND HIGHWAYS | <u>1,390,232</u> | <u>1,403,232</u> | <u>1,469,873</u> | <u>(66,641)</u> |
| ENGINEERING: | | | | |
| PERSONNEL SERVICES | 110,595 | 105,095 | 89,528 | 15,567 |
| SUPPLIES | 9,500 | 13,000 | 10,977 | 2,023 |
| OTHER SERVICES AND CHARGES | 8,440 | 10,440 | 6,690 | 3,750 |
| CAPITAL OUTLAY | 2,700 | 2,700 | 2,621 | 79 |
| TOTAL ENGINEERING | <u>131,235</u> | <u>131,235</u> | <u>109,816</u> | <u>21,419</u> |
| TOTAL PUBLIC WORKS | <u>1,521,467</u> | <u>1,534,467</u> | <u>1,579,689</u> | <u>(45,222)</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|--------------------|--------------------|--------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| PARKS, RECREATION, AND PUBLIC PROPERTY: | | | | |
| PARKS: | | | | |
| PERSONNEL SERVICES | \$ 405,716 | \$ 371,016 | \$ 360,734 | \$ 10,282 |
| SUPPLIES | 110,410 | 114,410 | 99,524 | 14,886 |
| OTHER SERVICES AND CHARGES | 81,300 | 78,500 | 70,801 | 7,699 |
| CAPITAL OUTLAY | <u>201,000</u> | <u>190,500</u> | <u>127,563</u> | <u>62,937</u> |
| TOTAL PARKS | <u>798,426</u> | <u>754,426</u> | <u>658,622</u> | <u>95,804</u> |
| RECREATION: | | | | |
| PERSONNEL SERVICES | 295,704 | 265,404 | 250,903 | 14,501 |
| SUPPLIES | 70,393 | 88,993 | 73,755 | 15,238 |
| OTHER SERVICES AND CHARGES | 246,662 | 260,362 | 237,711 | 22,651 |
| CAPITAL OUTLAY | <u>86,800</u> | <u>89,800</u> | <u>88,493</u> | <u>1,307</u> |
| TOTAL RECREATION | <u>699,559</u> | <u>704,559</u> | <u>650,862</u> | <u>53,697</u> |
| CEMETERY: | | | | |
| PERSONNEL SERVICES | 185,448 | 188,548 | 182,817 | 5,731 |
| SUPPLIES | 34,314 | 44,714 | 39,548 | 5,166 |
| OTHER SERVICES AND CHARGES | 25,323 | 25,823 | 21,419 | 4,404 |
| CAPITAL OUTLAY | <u>2,500</u> | <u>4,500</u> | <u>3,044</u> | <u>1,456</u> |
| TOTAL CEMETERY | <u>247,585</u> | <u>263,585</u> | <u>246,828</u> | <u>16,757</u> |
| MUSEUM GALLERY: | | | | |
| PERSONNEL SERVICES | 95,224 | 102,924 | 100,092 | 2,832 |
| SUPPLIES | 4,250 | 5,350 | 4,499 | 851 |
| OTHER SERVICES AND CHARGES | 31,260 | 32,460 | 29,895 | 2,565 |
| CAPITAL OUTLAY | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL MUSEUM GALLERY | <u>130,734</u> | <u>140,734</u> | <u>134,486</u> | <u>6,248</u> |
| SENIOR CITIZENS: | | | | |
| PERSONNEL SERVICES | 322,041 | 347,541 | 342,431 | 5,110 |
| SUPPLIES | 17,258 | 22,258 | 16,423 | 5,835 |
| OTHER SERVICES AND CHARGES | 162,269 | 239,769 | 226,435 | 13,334 |
| CAPITAL OUTLAY | <u>1,200</u> | <u>28,200</u> | <u>27,154</u> | <u>1,046</u> |
| TOTAL SENIOR CITIZENS | <u>502,768</u> | <u>637,768</u> | <u>612,443</u> | <u>25,325</u> |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | <u>2,379,072</u> | <u>2,501,072</u> | <u>2,303,241</u> | <u>197,831</u> |
| TOTAL EXPENDITURES | <u>9,475,851</u> | <u>10,631,851</u> | <u>10,281,433</u> | <u>350,418</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>(2,160,055)</u> | <u>(2,015,055)</u> | <u>(1,670,300)</u> | <u>344,755</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|---------------------|---------------------|---------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| OTHER FINANCING SOURCES (USES): | | | | |
| ISSUANCE OF BONDS & LEASES | \$ - - | \$ - - | \$ - - | \$ - - |
| OPERATING TRANSFERS IN | 2,306,039 | 2,306,039 | 2,306,039 | - - |
| OPERATING TRANSFERS OUT | (333,043) | (540,043) | (475,044) | 64,999 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>1,972,996</u> | <u>1,765,996</u> | <u>1,830,995</u> | <u>64,999</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) | (187,059) | (249,059) | 160,695 | 409,754 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>1,936,095</u> | <u>1,936,095</u> | <u>1,936,095</u> | - - |
| FUND BALANCE AT END OF YEAR | <u>\$ 1,749,036</u> | <u>\$ 1,687,036</u> | <u>\$ 2,096,790</u> | <u>\$ 409,754</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

| | BUSINESS-TYPE ACTIVITIES | | | GOVERNMENTAL |
|--|--------------------------|---------------------|----------------------|---------------------|
| | PUBLIC | STORM | | ACTIVITIES |
| | UTILITY | DRAIN | TOTAL | INTERNAL |
| | | | | SERVICE |
| ASSETS | | | | |
| CURRENT ASSETS: | | | | |
| CASH AND CASH EQUIVALENTS | \$ 1,652,620 | \$ 46,580 | \$ 1,699,200 | \$ 1,582,623 |
| RECEIVABLES (NET) | 1,940,606 | - | 1,940,606 | - |
| INVENTORIES | 431,132 | - | 431,132 | 17,427 |
| PREPAID ASSETS | 38,634 | 26 | 38,660 | 5,038 |
| TOTAL CURRENT ASSETS | <u>4,062,992</u> | <u>46,606</u> | <u>4,109,598</u> | <u>1,605,088</u> |
| NONCURRENT ASSETS: | | | | |
| CAPITAL ASSETS: | | | | |
| LAND | 685,504 | 456,946 | 1,142,450 | - |
| NET DEPRECIABLE CAPITAL ASSETS | <u>17,709,766</u> | <u>2,367,985</u> | <u>20,077,751</u> | <u>2,491,518</u> |
| TOTAL NONCURRENT ASSETS | <u>18,395,270</u> | <u>2,824,931</u> | <u>21,220,201</u> | <u>2,491,518</u> |
| TOTAL ASSETS | <u>\$ 22,458,262</u> | <u>\$ 2,871,537</u> | <u>\$ 25,329,799</u> | <u>\$ 4,096,606</u> |
| LIABILITIES | | | | |
| CURRENT LIABILITIES: | | | | |
| ACCOUNTS PAYABLE AND ACCRUED EXPENSES | \$ 1,040,673 | \$ 241,305 | \$ 1,281,978 | \$ 72,187 |
| DEFERRED INCOME | - | - | - | - |
| CURRENT PORTION OF LONG-TERM DEBT | <u>110,429</u> | <u>-</u> | <u>110,429</u> | <u>34,109</u> |
| TOTAL CURRENT LIABILITIES | <u>1,151,102</u> | <u>241,305</u> | <u>1,392,407</u> | <u>106,296</u> |
| NONCURRENT LIABILITIES: | | | | |
| LONG-TERM DEBT (BONDS, NOTES & CAPITAL LEASES), NET OF CURRENT PORTION AND BOND ISSUANCE COSTS | <u>1,557,643</u> | <u>-</u> | <u>1,557,643</u> | <u>73,406</u> |
| TOTAL NONCURRENT LIABILITIES | <u>1,557,643</u> | <u>-</u> | <u>1,557,643</u> | <u>73,406</u> |
| TOTAL LIABILITIES | <u>2,708,745</u> | <u>241,305</u> | <u>2,950,050</u> | <u>179,702</u> |
| NET ASSETS | | | | |
| INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT | 16,727,198 | 2,824,931 | 19,552,129 | 2,384,003 |
| RESTRICTED FOR: | | | | |
| CAPITAL PROJECTS | - | - | - | - |
| DEBT SERVICE | 315,957 | - | 315,957 | - |
| OTHER PURPOSES | - | - | - | - |
| UNRESTRICTED (DEFICIT) | <u>2,706,362</u> | <u>(194,699)</u> | <u>2,511,663</u> | <u>1,532,901</u> |
| TOTAL NET ASSETS | <u>19,749,517</u> | <u>2,630,232</u> | <u>22,379,749</u> | <u>3,916,904</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 22,458,262</u> | <u>\$ 2,871,537</u> | <u>\$ 25,329,799</u> | <u>\$ 4,096,606</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIGHAM CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2006

| | BUSINESS-TYPE ACTIVITIES | | | GOVERNMENTAL |
|---|--------------------------|---------------------|----------------------|---------------------|
| | PUBLIC | STORM | | ACTIVITIES |
| | UTILITY | DRAIN | TOTAL | INTERNAL |
| | | | | SERVICE |
| OPERATING REVENUES: | | | | |
| CHARGES FOR SERVICES | \$ 13,837,175 | \$ 776,292 | \$ 14,613,467 | \$ - - |
| INTERFUND SERVICES PROVIDED | - - | - - | - - | 1,756,703 |
| TOTAL OPERATING REVENUES | <u>13,837,175</u> | <u>776,292</u> | <u>14,613,467</u> | <u>1,756,703</u> |
| OPERATING EXPENSES: | | | | |
| SALARIES AND WAGES | 2,087,829 | 41,710 | 2,129,539 | 244,462 |
| MATERIAL AND SUPPLIES | 838,194 | 173,057 | 1,011,251 | 576,562 |
| SERVICES | 194,511 | - - | 194,511 | 14,198 |
| SPECIAL DEPARTMENT SUPPLIES | 1,014,158 | - - | 1,014,158 | - - |
| OTHER CHARGES | 304,474 | - - | 304,474 | - - |
| DEPRECIATION | 1,422,648 | 149,375 | 1,572,023 | 792,149 |
| POWER PURCHASE | 4,557,951 | - - | 4,557,951 | - - |
| SUNDRY EXPENSES | 59,009 | - - | 59,009 | - - |
| INTRAGOVERNMENTAL CHARGES | 688,818 | 24,999 | 713,817 | - - |
| TOTAL OPERATING EXPENSES | <u>11,167,592</u> | <u>389,141</u> | <u>11,556,733</u> | <u>1,627,371</u> |
| OPERATING INCOME | <u>2,669,583</u> | <u>387,151</u> | <u>3,056,734</u> | <u>129,332</u> |
| NON-OPERATING REVENUES [EXPENSES]: | | | | |
| INTEREST INCOME | 34,422 | - - | 34,422 | - - |
| INTEREST EXPENSE | (48,845) | - - | (48,845) | (6,986) |
| TOTAL NON-OPERATING REVENUES [EXPENSES] | <u>(14,423)</u> | <u>- -</u> | <u>(14,423)</u> | <u>(6,986)</u> |
| INCOME BEFORE OPERATING TRANSFERS | 2,655,160 | 387,151 | 3,042,311 | 122,346 |
| TRANSFERS | <u>(2,515,089)</u> | <u>- -</u> | <u>(2,515,089)</u> | <u>- -</u> |
| CHANGE IN NET ASSETS | 140,071 | 387,151 | 527,222 | 122,346 |
| TOTAL NET ASSETS AT BEGINNING OF YEAR | <u>19,609,446</u> | <u>2,243,081</u> | <u>21,852,527</u> | <u>3,794,558</u> |
| TOTAL NET ASSETS AT END OF YEAR | <u>\$ 19,749,517</u> | <u>\$ 2,630,232</u> | <u>\$ 22,379,749</u> | <u>\$ 3,916,904</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BRIHGAM CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2006

| | BUSINESS-TYPE ACTIVITIES | | | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND |
|--|---------------------------|-------------------|---------------------|---|
| | PUBLIC UTILITY FUND | STORM DRAIN | TOTAL | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| CASH RECEIVED FROM CUSTOMERS | \$ 13,837,175 | \$ 776,292 | \$ 14,613,467 | \$ - |
| CASH PAID TO SUPPLIERS | (7,457,434) | (562,119) | (8,019,553) | (614,288) |
| CASH PAID TO EMPLOYEES | (2,087,829) | (41,710) | (2,129,539) | (244,462) |
| CASH RECEIVED FROM INTERFUND SERVICES | - | - | - | 1,756,703 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>4,291,912</u> | <u>172,463</u> | <u>4,464,375</u> | <u>897,953</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| TRANSFERS | (2,515,089) | - | (2,515,089) | - |
| NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES | <u>(2,515,089)</u> | <u>-</u> | <u>(2,515,089)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| PURCHASE OF CAPITAL ASSETS | (1,049,080) | (159,481) | (1,208,561) | (425,660) |
| PRINCIPAL PAYMENT ON CAPITAL DEBT | (206,869) | - | (206,869) | (32,487) |
| PROCEEDS FROM CAPITAL DEBT | 200,000 | - | 200,000 | - |
| INTEREST PAID ON CAPITAL DEBT | (48,845) | - | (48,845) | (6,986) |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(1,104,794)</u> | <u>(159,481)</u> | <u>(1,264,275)</u> | <u>(465,133)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| INTEREST | 34,422 | - | 34,422 | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 706,451 | 12,982 | 719,433 | 432,820 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>946,170</u> | <u>33,598</u> | <u>979,768</u> | <u>1,149,803</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 1,652,621</u> | <u>\$ 46,580</u> | <u>\$ 1,699,201</u> | <u>\$ 1,582,623</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| OPERATING INCOME | \$ 2,669,583 | \$ 387,151 | \$ 3,056,734 | \$ 129,332 |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| DEPRECIATION | 1,422,648 | 149,375 | 1,572,023 | 792,149 |
| CHANGES IN ASSETS & LIABILITIES: | | | | |
| RECEIVABLES | 49,987 | - | 49,987 | 8,280 |
| INVENTORY | (7,737) | - | (7,737) | (402) |
| PREPAID EXPENSES | (13,009) | (12) | (13,021) | (1,719) |
| ACCOUNTS PAYABLE AND ACCRUALS | 170,440 | (364,051) | (193,611) | (29,687) |
| NET CASH PROVIDED FROM OPERATIONS | <u>\$ 4,291,912</u> | <u>\$ 172,463</u> | <u>\$ 4,464,375</u> | <u>\$ 897,953</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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BRIGHAM CITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE FINANCIAL STATEMENTS OF BRIGHAM CITY CORPORATION (GOVERNMENT) HAVE BEEN PREPARED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AS APPLIED TO GOVERNMENT UNITS. THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) IS THE ACCEPTED STANDARD-SETTING BODY FOR ESTABLISHING GOVERNMENTAL ACCOUNTING AND FINANCIAL REPORTING PRINCIPLES. THE MORE SIGNIFICANT OF THE GOVERNMENT'S ACCOUNTING POLICIES ARE DESCRIBED BELOW.

A. REPORTING ENTITY

BRIGHAM CITY CORPORATION IS A MUNICIPAL CORPORATION GOVERNED BY AN ELECTED MAYOR AND FIVE-MEMBER COUNCIL. THE ACCOMPANYING FINANCIAL STATEMENTS PRESENT THE GOVERNMENT AND ITS COMPONENT UNITS, ENTITIES FOR WHICH THE GOVERNMENT IS CONSIDERED TO BE FINANCIALLY ACCOUNTABLE. BLENDED COMPONENT UNITS, ALTHOUGH LEGALLY SEPARATE ENTITIES, ARE, IN SUBSTANCE, PART OF THE GOVERNMENT'S OPERATIONS.

BLENDED COMPONENT UNITS:

REDEVELOPMENT AGENCY OF BRIGHAM CITY, UTAH. THE GOVERNMENT'S GOVERNING BOARD IS THE BOARD OF THE REDEVELOPMENT AGENCY OF BRIGHAM CITY, UTAH (AGENCY). THE AGENCY IS FINANCIALLY DEPENDENT UPON THE GOVERNMENT.

MUNICIPAL BUILDING AUTHORITY OF BRIGHAM CITY (MBA). THE MBA'S GOVERNING BOARD IS FINANCIALLY DEPENDENT UPON THE GOVERNMENT. THERE WAS NO ACTIVITY DURING THE YEAR.

BASIS OF PRESENTATION - FUND ACCOUNTING. THE ACCOUNTING SYSTEM IS ORGANIZED AND OPERATED ON A FUND BASIS. A FUND IS DEFINED AS A FISCAL AND ACCOUNTING ENTITY WITH A SELF-BALANCING SET OF ACCOUNTS, WHICH ARE SEGREGATED FOR THE PURPOSE OF CARRYING ON SPECIFIC ACTIVITIES OR ATTAINING CERTAIN OBJECTIVES IN ACCORDANCE WITH SPECIAL REGULATIONS, RESTRICTIONS OR LIMITATIONS.

THE CITY'S FUNDS ARE GROUPED INTO TWO BROAD FUND CATEGORIES AND SIX GENERIC FUND TYPES FOR FINANCIAL STATEMENT PRESENTATION PURPOSES. GOVERNMENTAL FUNDS INCLUDE THE GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS. PROPRIETARY FUNDS INCLUDE ENTERPRISE FUNDS AND AN INTERNAL SERVICE FUND. THE CITY DOES NOT HAVE FIDUCIARY AGENCY FUNDS.

B. BASIS OF ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (I.E., THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES) REPORT INFORMATION ON ALL OF THE NON-FIDUCIARY ACTIVITIES OF THE PRIMARY GOVERNMENT. GOVERNMENTAL ACTIVITIES, WHICH ARE NORMALLY SUPPORTED BY TAXES AND INTERGOVERNMENTAL REVENUES, ARE REPORTED SEPARATELY FROM BUSINESS-TYPE ACTIVITIES, WHICH PRIMARILY RELY ON FEES AND CHARGES FOR SUPPORT. INTERNAL SERVICE FUND ACTIVITY IS ELIMINATED TO AVOID "DOUBLING UP" REVENUES AND EXPENSES.

THE GOVERNMENT-WIDE STATEMENTS ARE PREPARED USING THE ECONOMIC RESOURCES MEASUREMENT FOCUS AND THE ACCRUAL BASIS OF ACCOUNTING. THIS IS THE SAME APPROACH USED IN THE PREPARATION OF THE PROPRIETARY FUND FINANCIAL STATEMENTS BUT DIFFERS FROM THE MANNER IN WHICH GOVERNMENTAL FUND FINANCIAL STATEMENTS ARE PREPARED. THEREFORE, GOVERNMENTAL FUND FINANCIAL STATEMENTS INCLUDE A RECONCILIATION WITH BRIEF EXPLANATIONS TO BETTER IDENTIFY THE RELATIONSHIP BETWEEN THE GOVERNMENT-WIDE STATEMENTS AND THE STATEMENTS FOR GOVERNMENTAL FUNDS. THE PRIMARY EFFECT OF INTERNAL ACTIVITY HAS BEEN ELIMINATED FROM THE GOVERNMENT-WIDE FINANCIAL STATEMENTS.

THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES PRESENTS A COMPARISON BETWEEN EXPENSES, BOTH DIRECT AND INDIRECT, AND PROGRAM REVENUES FOR EACH SEGMENT OF THE BUSINESS-TYPE ACTIVITIES OF THE CITY AND FOR EACH GOVERNMENTAL PROGRAM. DIRECT EXPENSES ARE THOSE THAT ARE SPECIFICALLY ASSOCIATED WITH A SERVICE, PROGRAM OR DEPARTMENT AND ARE THEREFORE CLEARLY IDENTIFIABLE TO A PARTICULAR FUNCTION. INDIRECT EXPENSES FOR CENTRALIZED SERVICES AND ADMINISTRATIVE OVERHEAD ARE ALLOCATED AMONG THE PROGRAMS, FUNCTIONS AND SEGMENTS USING A FULL COST ALLOCATION APPROACH AND ARE PRESENTED SEPARATELY TO ENHANCE COMPARABILITY OF DIRECT EXPENSES BETWEEN GOVERNMENTS THAT ALLOCATE DIRECT EXPENSES AND THOSE THAT DO NOT. PROGRAM REVENUES INCLUDE CHARGES PAID BY THE RECIPIENTS OF THE GOODS OR SERVICES OFFERED BY THE PROGRAMS AND GRANTS AND CONTRIBUTIONS THAT ARE RESTRICTED TO MEETING THE OPERATIONAL OR CAPITAL REQUIREMENTS OF A PARTICULAR PROGRAM. REVENUES NOT CLASSIFIED AS PROGRAM REVENUES ARE PRESENTED AS GENERAL REVENUES. THE COMPARISON OF PROGRAM REVENUES AND EXPENSES IDENTIFIES THE EXTENT TO WHICH EACH PROGRAM OR BUSINESS SEGMENT IS SELF-FINANCING OR DRAWS FROM THE GENERAL REVENUES OF THE GOVERNMENT.

NET ASSETS SHOULD BE REPORTED AS RESTRICTED WHEN CONSTRAINTS PLACED ON NET ASSETS ARE EITHER EXTERNALLY IMPOSED BY CREDITORS (SUCH AS THROUGH DEBT COVENANTS), GRANTORS, CONTRIBUTORS, OR LAWS OR REGULATIONS OF OTHER GOVERNMENTS OR IMPOSED BY LAW THROUGH CONSTITUTIONAL PROVISIONS OR ENABLING LEGISLATION.

SEPARATE FINANCIAL STATEMENTS ARE PROVIDED FOR GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS. MAJOR INDIVIDUAL GOVERNMENTAL FUNDS AND MAJOR INDIVIDUAL ENTERPRISE FUNDS ARE REPORTED AS SEPARATE COLUMNS IN THE FUND FINANCIAL STATEMENTS.

FUND FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS REPORT DETAILED INFORMATION ABOUT THE GOVERNMENT. THE FOCUS OF GOVERNMENTAL AND ENTERPRISE FUND FINANCIAL STATEMENTS IS ON MAJOR FUNDS RATHER THAN REPORTING FUNDS BY TYPE. THE GENERAL FUND IS PRESENTED IN A SEPARATE COLUMN. ALL OTHER FUNDS ARE AGGREGATED AND PRESENTED IN A SINGLE COLUMN.

C. GOVERNMENTAL FUNDS

THE ACCOUNTING AND FINANCIAL REPORTING TREATMENT APPLIED TO A FUND IS DETERMINED BY ITS MEASUREMENT FOCUS. ALL GOVERNMENTAL FUNDS ARE ACCOUNTED FOR USING A CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. WITH THIS MEASUREMENT FOCUS, ONLY CURRENT ASSETS AND CURRENT LIABILITIES GENERALLY ARE INCLUDED ON THE BALANCE SHEET. OPERATING STATEMENTS OF THESE FUNDS PRESENT INCREASES (I.E., REVENUES AND OTHER FINANCING SOURCES) AND DECREASES (I.E., EXPENDITURES AND OTHER FINANCING USES) IN NET CURRENT ASSETS.

THE MODIFIED ACCRUAL BASIS OF ACCOUNTING IS USED BY ALL GOVERNMENTAL FUND TYPES. UNDER THE MODIFIED ACCRUAL BASIS OF ACCOUNTING, REVENUES ARE RECOGNIZED WHEN SUSCEPTIBLE TO ACCRUAL (I.E., WHEN THEY BECOME BOTH MEASURABLE AND AVAILABLE). "MEASURABLE" MEANS THE AMOUNT OF THE TRANSACTION CAN BE DETERMINED AND "AVAILABLE" MEANS COLLECTIBLE WITHIN THE CURRENT PERIOD OR SOON ENOUGH THEREAFTER TO BE USED TO PAY LIABILITIES OF THE CURRENT PERIOD. THE GOVERNMENT CONSIDERS PROPERTY TAXES AS AVAILABLE IF THEY ARE COLLECTED WITHIN 60 DAYS AFTER YEAR END. EXPENDITURES ARE RECORDED WHEN THE RELATED FUND LIABILITY IS INCURRED. PRINCIPAL AND INTEREST ON GENERAL LONG-TERM DEBT ARE RECORDED AS FUND LIABILITIES WHEN DUE OR WHEN AMOUNTS HAVE BEEN ACCUMULATED IN THE DEBT SERVICE FUND FOR PAYMENTS TO BE MADE EARLY IN THE FOLLOWING YEAR.

THOSE REVENUES SUSCEPTIBLE TO ACCRUAL ARE PROPERTY TAXES, FRANCHISE TAXES, SPECIAL ASSESSMENTS, LICENSES, INTEREST REVENUE AND CHARGES FOR SERVICES. SALES TAXES COLLECTED AND HELD BY THE STATE AT YEAR END ON BEHALF OF THE GOVERNMENT ALSO ARE RECOGNIZED AS REVENUE. FINES AND PERMITS ARE NOT SUSCEPTIBLE TO ACCRUAL BECAUSE GENERALLY THEY ARE NOT MEASURABLE UNTIL RECEIVED IN CASH.

DEFERRED REVENUES ARISE WHEN A POTENTIAL REVENUE DOES NOT MEET BOTH THE "MEASURABLE" AND "AVAILABLE" CRITERIA FOR RECOGNITION IN THE CURRENT PERIOD. DEFERRED REVENUES ALSO ARISE WHEN RESOURCES ARE RECEIVED BY THE GOVERNMENT BEFORE IT HAS A LEGAL CLAIM TO THEM, AS WHEN GRANT MONIES ARE RECEIVED PRIOR TO THE INCURRENCE OF QUALIFYING EXPENDITURES. IN SUBSEQUENT PERIODS, WHEN BOTH REVENUE RECOGNITION CRITERIA ARE MET, OR WHEN THE GOVERNMENT HAS A LEGAL CLAIM TO THE RESOURCES, THE LIABILITY FOR DEFERRED REVENUE IS REMOVED FROM THE COMBINED BALANCE SHEET AND REVENUE IS RECOGNIZED.

PROPRIETARY FUNDS

ALL PROPRIETARY FUNDS ARE ACCOUNTED FOR ON A FLOW OF ECONOMIC RESOURCES MEASUREMENT FOCUS. WITH THIS MEASUREMENT FOCUS, ALL ASSETS AND ALL LIABILITIES ASSOCIATED WITH THE OPERATION OF THESE FUNDS ARE INCLUDED ON THE BALANCE SHEET. PROPRIETARY FUND-TYPE OPERATING STATEMENTS PRESENT INCREASES (E.G., REVENUES) AND DECREASES (E.G., EXPENSES) IN NET TOTAL ASSETS.

THE ACCRUAL BASIS OF ACCOUNTING IS UTILIZED BY PROPRIETARY FUND TYPES. UNDER THIS METHOD, REVENUES ARE RECORDED WHEN EARNED AND EXPENSES ARE RECORDED AT THE TIME LIABILITIES ARE INCURRED. THE GOVERNMENT HAS ELECTED TO FOLLOW THE GASB PRONOUNCEMENTS ISSUED AFTER NOVEMBER 30, 1989, AS THEY APPLY TO PROPRIETARY FUND TYPES.

PROPRIETARY FUNDS DISTINGUISH OPERATING REVENUES AND EXPENSES FROM NON-OPERATING ITEMS. OPERATING REVENUES AND EXPENSES GENERALLY RESULT FROM PROVIDING SERVICES AND PRODUCING AND DELIVERING GOODS IN CONNECTION WITH A PROPRIETARY FUND'S PRINCIPAL ONGOING OPERATIONS. THE PRINCIPAL OPERATING REVENUES OF THE CITY'S ENTERPRISE FUNDS ARE CHARGES TO CUSTOMERS FOR SALES AND SERVICES, ADMINISTRATIVE EXPENSES, AND DEPRECIATION ON CAPITAL ASSETS. ALL REVENUES AND EXPENSES NOT MEETING THIS DEFINITION ARE REPORTED AS NON-OPERATING REVENUES AND EXPENSES.

AS A GENERAL RULE THE EFFECT OF INTERFUND ACTIVITY HAS BEEN ELIMINATED FROM THE GOVERNMENT-WIDE FINANCIAL STATEMENTS. EXCEPTIONS TO THIS GENERAL RULE ARE PAYMENTS-IN-LIEU OF TAXES AND OTHER CHARGES BETWEEN THE GOVERNMENT'S VARIOUS DEPARTMENTS. ELIMINATION OF THESE CHARGES WOULD DISTORT THE DIRECT COSTS AND PROGRAM REVENUES REPORTED FOR THE VARIOUS FUNCTIONS CONCERNED.

THE GOVERNMENT REPORTS THE FOLLOWING MAJOR PROPRIETARY FUNDS:

PUBLIC UTILITY - THE PUBLIC UTILITY FUND ACCOUNTS FOR THE ACTIVITIES OF THE GOVERNMENT'S ELECTRIC, SEWER, WATER AND WASTE COLLECTION ACTIVITIES AND OPERATIONS.

STORM DRAIN - THE STORM DRAIN FUND ACCOUNTS FOR THE ACTIVITIES OF THE GOVERNMENT AS THEY RELATE TO THE STORM DRAIN SYSTEM, INCLUDING IMPROVEMENTS, EXPENSES AND MAINTENANCE THEREOF.

THESE TWO FUNDS MAKE UP THE PROPRIETARY FUND.

D. BUDGETS

BUDGETS ARE ADOPTED ON A BASIS CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. ANNUAL APPROPRIATED BUDGETS ARE ADOPTED FOR THE GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECT FUNDS. ALL ANNUAL APPROPRIATIONS LAPSE AT FISCAL YEAR END.

ENCUMBRANCES REPRESENT COMMITMENTS RELATED TO UNPERFORMED CONTRACTS FOR GOODS OR SERVICES. ENCUMBRANCE ACCOUNTING IS NOT USED BECAUSE THE GOVERNMENT CANCELS ALL CONTRACTS IN PROGRESS AT YEAR END. NEW CONTRACTS ARE MADE IN THE NEXT BUDGET YEAR FOR THE UNFINISHED PROJECT AFTER REVIEW BY THE GOVERNMENT BODY.

E. CASH AND INVESTMENTS

CASH INCLUDES AMOUNTS IN DEMAND DEPOSITS AS WELL AS SHORT-TERM INVESTMENTS WITH A MATURITY DATE WITHIN THREE MONTHS OF THE DATE ACQUIRED BY THE GOVERNMENT. THE STATE MONEY MANAGEMENT ACT AUTHORIZES THE GOVERNMENT TO INVEST IN SPECIFIC TYPES OF INVESTMENTS. THE TYPE OF INVESTMENTS ARE EXPLAINED IN NOTE 4 AND ARE VALUED IN ACCORDANCE WITH GASB STATEMENT 31.

FOR PURPOSES OF THE STATEMENTS OF CASH FLOWS, THE GOVERNMENT CONSIDERS ALL HIGHLY LIQUID INVESTMENTS (INCLUDING RESTRICTED ASSETS) WITH MATURITY OF THREE MONTHS OR LESS WHEN PURCHASED TO BE CASH EQUIVALENTS.

UNRESTRICTED CASH BALANCES OF ALL FUNDS ARE COMBINED TO FORM A POOL OF CASH AND INVESTMENTS WHICH IS MANAGED BY THE CITY TREASURER IN ACCORDANCE WITH THE UTAH MONEY MANAGEMENT ACT. INCOME FROM THE INVESTMENT OF POOLED CASH IS ALLOCATED TO THE GENERAL FUND. RESTRICTED CASH CONSISTS OF THAT PORTION OF POOLED CASH THAT IS RESTRICTED FOR A SPECIFIC USE DUE TO CONSTRAINTS IMPOSED BY EXTERNAL PARTIES OR ENABLING LEGISLATION, OR IS CASH HELD IN TRUST IN COMPLIANCE WITH BOND COVENANT, TERMS AND CONDITIONS. WHEN BOTH RESTRICTED AND UNRESTRICTED SOURCES ARE AVAILABLE FOR USE, IT IS THE GOVERNMENT'S POLICY TO USE RESTRICTED RESOURCES FIRST, THEN UNRESTRICTED RESOURCES AS THEY ARE NEEDED.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

DURING THE COURSE OF OPERATIONS, NUMEROUS TRANSACTIONS OCCUR BETWEEN INDIVIDUAL FUNDS FOR GOODS PROVIDED OR SERVICES RENDERED. THESE RECEIVABLES AND PAYABLES ARE CLASSIFIED AS "DUE FROM OTHER FUNDS" OR "DUE TO OTHER FUNDS" ON THE BALANCE SHEET.

G. INVENTORIES

INVENTORIES ARE VALUED AT COST, WHICH APPROXIMATES MARKET, USING THE FIRST-IN/FIRST-OUT (FIFO) METHOD.

H. RESTRICTED ASSETS

ASSETS ARE RESTRICTED BECAUSE OF CONSTRAINTS PLACED ON THE ASSETS USE BY EITHER:

1. EXTERNALLY APPROVED BY CREDITORS;
2. GRANTORS AND/OR CONTRIBUTIONS;
3. LAWS OR REGULATIONS OF OTHER GOVERNMENTS; OR
4. IMPOSED BY LAW THROUGH CONSTITUTION PROVISIONS OR ENABLING LEGISLATION.

THE FOLLOWING IS A SUMMARY OF ASSETS RESTRICTED FOR OTHER PURPOSES.

| | |
|---------------------------------|------------------|
| CEMETERY PERPETUAL CARE | \$323,542 |
| SENIOR CITIZEN CONTRIBUTIONS | 182,072 |
| POLICE GRANTS AND CONTRIBUTIONS | 121,491 |
| OLYMPIC LEGACY | 241,193 |
| OTHER | <u>73,621</u> |
| | <u>\$941,919</u> |

I. CAPITAL ASSETS

CAPITAL ASSETS, WHICH INCLUDE PROPERTY, PLANT, EQUIPMENT, AND INFRASTRUCTURE ASSETS (E.G., ROADS, BRIDGES, SIDEWALKS, AND SIMILAR ITEMS), ARE REPORTED IN THE APPLICABLE GOVERNMENTAL OR BUSINESS-TYPE ACTIVITIES COLUMNS IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS. CAPITAL ASSETS ARE DEFINED BY THE GOVERNMENT AS ASSETS WITH AN INITIAL, INDIVIDUAL COST OF MORE THAN \$5,000 (AMOUNT NOT ROUNDED) AND AN ESTIMATED USEFUL LIFE IN EXCESS OF TWO YEARS. ALL PURCHASED CAPITAL ASSETS ARE VALUED AT COST WHERE HISTORICAL RECORDS ARE AVAILABLE AND AT AN ESTIMATED HISTORICAL COST WHERE NO HISTORICAL RECORDS EXIST. DONATED CAPITAL ASSETS ARE VALUED AT THEIR ESTIMATED FAIR MARKET VALUE ON THE DATE RECEIVED.

THE COSTS OF NORMAL MAINTENANCE AND REPAIRS THAT DO NOT ADD TO THE VALUE OF THE ASSET OR MATERIALLY EXTEND ASSET LIVES ARE NOT CAPITALIZED. IMPROVEMENTS ARE CAPITALIZED AND DEPRECIATED OVER THE REMAINING USEFUL LIVES OF THE RELATED CAPITAL ASSETS, AS APPLICABLE.

MAJOR OUTLAYS FOR CAPITAL ASSETS AND IMPROVEMENTS ARE CAPITALIZED AS PROJECTS ARE CONSTRUCTED. INTEREST INCURRED DURING THE CONSTRUCTION PHASE OF CAPITAL ASSETS OF BUSINESS-TYPE ACTIVITIES IS INCLUDED AS PART OF THE CAPITALIZED VALUE OF THE ASSETS CONSTRUCTED. THE AMOUNT OF INTEREST TO BE CAPITALIZED IS CALCULATED BY OFFSETTING INTEREST EXPENSE INCURRED FROM DATE OF THE BORROWING UNTIL COMPLETION OF THE PROJECT WITH INTEREST EARNED ON INVESTED PROCEEDS OVER THE SAME PERIOD.

PROPERTY, PLANT AND EQUIPMENT OF THE PRIMARY GOVERNMENT, AS WELL AS THE COMPONENT UNITS, IS DEPRECIATED USING THE STRAIGHT LINE METHOD OVER THE FOLLOWING ESTIMATED USEFUL LIVES.

| <u>ASSETS</u> | <u>YEARS</u> |
|---------------|--------------|
| BUILDINGS | 30 |
| IMPROVEMENTS | 20-40 |
| EQUIPMENT | 3-20 |
| VEHICLES | 3 |

J. COMPENSATED ABSENCES

VESTED OR ACCUMULATED VACATION LEAVE AND SICK PAY BENEFITS THAT ARE EXPECTED TO BE LIQUIDATED WITH EXPENDABLE AVAILABLE FINANCIAL RESOURCES ARE REPORTED AS AN EXPENDITURE AND A FUND LIABILITY OF THE GOVERNMENTAL FUND THAT WILL PAY IT IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS. THE VESTED OR ACCUMULATED BENEFITS ARE REPORTED AS REQUIRED BY GASB INTERPRETATION #6, RECOGNITION AND MEASUREMENT OF CERTAIN LIABILITIES AND EXPENDITURES IN GOVERNMENTAL FUND FINANCIAL STATEMENTS IN THE FUND FINANCIAL STATEMENTS. VESTED OR ACCUMULATED VACATION LEAVE AND SICK PAY BENEFITS OF PROPRIETARY FUNDS ARE RECORDED AS AN EXPENSE AND LIABILITY OF THOSE FUNDS AS THE BENEFITS ACCRUE TO EMPLOYEES. COMPENSATED ABSENCES ARE REPORTED IN THE GOVERNMENTAL FUNDS ONLY IF THEY HAVE MATURED (I.E., UNUSED REIMBURSABLE LEAVE STILL OUTSTANDING FOLLOWING AN EMPLOYEE'S RESIGNATION OR RETIREMENT).

K. LONG-TERM OBLIGATIONS

IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS, AND PROPRIETARY FUND TYPES IN THE FUND FINANCIAL STATEMENTS, LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS ARE REPORTED AS LIABILITIES IN THE APPLICABLE GOVERNMENTAL ACTIVITIES, BUSINESS-TYPE ACTIVITIES, OR PROPRIETARY FUND TYPE STATEMENT OF NET ASSETS. BOND PREMIUMS AND DISCOUNTS, AS WELL AS ISSUANCE COSTS, ARE DEFERRED AND AMORTIZED OVER THE LIFE OF THE BONDS USING THE EFFECTIVE INTEREST METHOD. BONDS PAYABLE ARE REPORTED NET OF THE APPLICABLE BOND PREMIUM OR DISCOUNT. BOND ISSUANCE COSTS ARE REPORTED AS DEFERRED CHARGES AND AMORTIZED OVER THE TERM OF THE RELATED DEBT.

IN THE FUND FINANCIAL STATEMENTS, GOVERNMENTAL FUND TYPES RECOGNIZED BOND PREMIUMS AND DISCOUNTS, AS WELL AS BOND ISSUANCE COSTS, DURING THE CURRENT PERIOD. THE FACE AMOUNT OF DEBT ISSUED IS REPORTED AS OTHER FINANCING SOURCES. PREMIUMS RECEIVED ON DEBT ISSUANCES ARE REPORTED AS OTHER FINANCING SOURCES WHILE DISCOUNTS ON DEBT ISSUANCES ARE REPORTED AS OTHER FINANCING USES. ISSUANCE COSTS, WHETHER OR NOT WITHHELD FROM THE ACTUAL DEBT PROCEEDS RECEIVED, ARE REPORTED AS DEBT SERVICE EXPENDITURES.

L. FUND EQUITY

RESERVES REPRESENT THOSE PORTIONS OF FUND EQUITY NOT APPROPRIABLE FOR EXPENDITURE OR LEGALLY SEGREGATED FOR A SPECIFIC FUTURE USE. DESIGNATED FUND BALANCES REPRESENT TENTATIVE PLANS FOR FUTURE USE OF FINANCIAL RESOURCES.

M. INTERFUND TRANSACTIONS

INTERFUND SERVICES PROVIDED AND USED ARE ACCOUNTED FOR AS REVENUES, EXPENDITURES OR EXPENSES. TRANSACTIONS THAT CONSTITUTE REIMBURSEMENTS TO A FUND FOR EXPENDITURES/EXPENSES INITIALLY MADE FROM IT THAT ARE PROPERLY APPLICABLE TO ANOTHER FUND, ARE

RECORDED AS EXPENDITURES/EXPENSES IN THE REIMBURSING FUND AND AS REDUCTIONS OF EXPENDITURES/EXPENSES IN THE FUND THAT IS REIMBURSED.

ALL OTHER INTERFUND TRANSACTIONS, EXCEPT QUASI-EXTERNAL TRANSACTIONS AND REIMBURSEMENTS, ARE REPORTED AS TRANSFERS. ALL OTHER INTERFUND TRANSFERS ARE REPORTED AS NON-OPERATING TRANSFERS.

N. ALLOWANCE FOR BAD DEBTS

AN ALLOWANCE FOR BAD DEBTS OF \$91,000 HAS BEEN DEDUCTED FROM THE TOTAL ACCOUNTS AND NOTES RECEIVABLE OF THE ENTERPRISE FUND TO ARRIVE AT THE AMOUNT SHOWN ON THE COMBINED BALANCE SHEET.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

FOLLOWING THE GOVERNMENTAL FUNDS BALANCE SHEET IS A RECONCILIATION BETWEEN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS AND NET ASSETS - GOVERNMENTAL ACTIVITIES AS REPORTED IN THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS. ONE ELEMENT OF THAT RECONCILIATION EXPLAINS THAT "LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS." THE DETAILS OF THE DIFFERENCE ARE AS FOLLOWS:

| | |
|--|--------------------|
| BONDS PAYABLE, NET OF BOND COSTS | \$6,329,485 |
| INTEREST PAYABLE | 38,948 |
| CAPITAL LEASES | 4,925 |
| NOTES PAYABLE | 98,000 |
| COMPENSATED ABSENCES | <u>248,127</u> |
| NET ADJUSTMENT TO REDUCE FUND BALANCE - TOTAL GOVERNMENTAL FUNDS | |
| TO ARRIVE AT NET ASSETS - GOVERNMENTAL ACTIVITIES | <u>\$6,719,485</u> |

NOTE 3. LEGAL COMPLIANCE - BUDGET

ANNUAL BUDGETS ARE PREPARED AND ADOPTED BY THE GOVERNING BODY ON OR BEFORE JUNE 22ND FOR THE FOLLOWING FISCAL YEAR WHICH BEGINS ON JULY 1. BUDGETS MAY BE INCREASED BY RESOLUTION OF THE GOVERNMENT AT ANY TIME DURING THE YEAR, FOLLOWING A PUBLIC HEARING. BUDGETS ARE ADOPTED AT SUBDEPARTMENT LEVELS; HOWEVER, BUDGET AMENDMENTS BY RESOLUTION ARE GENERALLY REQUIRED ONLY IF THE DEPARTMENT DESIRES TO EXCEED ITS TOTAL BUDGET APPROPRIATION.

UTAH STATE LAW PROHIBITS AN APPROPRIATION OF THE UNRESERVED FUND BALANCE IN THE GENERAL FUND UNTIL IT EXCEEDS 5% OF TOTAL REVENUES OF THE GENERAL FUND. THE LAW PROHIBITS THE ACCUMULATION OF A FUND BALANCE IN THE GENERAL FUND IN EXCESS OF 18% OF THE TOTAL ESTIMATED REVENUE OF THE GENERAL FUND. UNTIL THE UNRESERVED FUND BALANCE IS GREATER THAN THE 18% OF TOTAL ESTIMATED REVENUE, IT MAY BE USED ONLY TO PROVIDE WORKING CAPITAL UNTIL TAX REVENUE IS RECEIVED, MEETING EMERGENCY EXPENDITURES, AND COVER UNANTICIPATED DEFICITS AS LONG AS THE FUND BALANCE IS GREATER THAN 5% OF TOTAL REVENUES. FUND BALANCES MAY BE APPROPRIATED (RESERVED) FOR SPECIFIC PURPOSES.

SUMMARY OF THE GOVERNMENT'S BUDGET PROCEDURES AND CALENDAR

1. THE STATE OF UTAH REQUIRES FORMAL BUDGETARY INTEGRATION AS A MANAGEMENT CONTROL DEVICE DURING THE YEAR FOR THE GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECT FUNDS.¹ THE GOVERNMENT PREPARES BUDGETS FOR ENTERPRISE² AND INTERNAL SERVICE FUNDS, BUT IS NOT REQUIRED TO REPORT ON SUCH BUDGETS. (AS SUCH NO BUDGET TO ACTUAL STATEMENTS ARE PRESENTED IN THE FINANCIAL STATEMENTS).
2. THE GOVERNMENT'S BUDGET IS A FINANCIAL PLAN OF ALL ESTIMATED REVENUES AND ALL APPROPRIATIONS FOR EXPENDITURES. REVENUES AND EXPENDITURES MUST BALANCE.³
3. THE BUDGET IS PREPARED SOME TIME BETWEEN THE 1ST OF MARCH AND THE 1ST OF MAY.
4. A TENTATIVE BUDGET IS PRESENTED BY THE MAYOR TO THE GOVERNING BODY BY THE FIRST REGULARLY SCHEDULED COUNCIL MEETING IN MAY. THE TENTATIVE BUDGET IS REVIEWED AND TENTATIVELY ADOPTED BY THE GOVERNING BODY NO LATER THAN JUNE 22ND.⁴

¹UTAH CODE SECTION 10-6-109

²UTAH CODE SECTION 10-6-135

³UTAH CODE SECTION 10-6-110

⁴UTAH CODE SECTION 10-6-111

5. THE TENTATIVE BUDGET IS PUBLIC RECORD AND IS AVAILABLE FOR INSPECTION AT THE GOVERNMENT'S MAIN OFFICE FOR AT LEAST TEN DAYS PRIOR TO ADOPTION OF THE FINAL BUDGET.⁵
6. NOTICE OF PUBLIC HEARING ON ADOPTION OF THE FINAL BUDGET IS PUBLISHED SEVEN DAYS PRIOR TO THE PUBLIC HEARING.⁶
7. THE PUBLIC HEARING ON THE TENTATIVELY ADOPTED BUDGET IS HELD NO LATER THAN JUNE 14TH.⁷ FINAL ADJUSTMENTS ARE MADE TO THE TENTATIVE BUDGET BY THE GOVERNING BODY AFTER THE PUBLIC HEARING.⁸
8. THE FINAL BUDGET IS ADOPTED BY ORDINANCE BEFORE JUNE 22ND AND A COPY OF THE BUDGET CERTIFIED BY THE BUDGET OFFICER IS FILED WITH THE STATE AUDITOR WITHIN THIRTY DAYS OF ADOPTION.⁹
9. IN CONNECTION WITH BUDGET ADOPTION:
 - a. AN ANNUAL TAX ORDINANCE ESTABLISHING THE TAX RATE IS ADOPTED BEFORE JUNE 22ND.¹⁰
 - b. THE CITY RECORDER IS TO CERTIFY THE TAX RATE TO THE COUNTY AUDITOR BEFORE JUNE 22ND.¹¹
10. BUDGETS FOR THE GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUNDS ARE ADOPTED ON A BASIS CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP).

SUMMARY OF ACTION REQUIRED FOR BUDGET CHANGES

TRANSFERS OF UNEXPENDED APPROPRIATION FROM ONE EXPENDITURE ACCOUNT TO ANOTHER IN THE SAME DEPARTMENT CAN BE MADE WITH THE CONSENT OF THE BUDGET OFFICER.¹²

THE GOVERNING BODY MAY, BY RESOLUTION, TRANSFER UNEXPENDED APPROPRIATIONS FROM ONE DEPARTMENT TO ANOTHER DEPARTMENT WITHIN THE SAME FUND.¹³

THE BUDGET APPROPRIATION FOR ANY DEPARTMENT MAY BE REDUCED BY RESOLUTION.¹⁴

FINAL BUDGETS¹⁵ MAY BE INCREASED BY RESOLUTION AFTER THE PUBLIC HEARING.¹⁶ FINAL AMENDMENTS IN THE CURRENT YEAR BUDGETS SHALL BE ADOPTED BY THE GOVERNING BODY BY THE LAST DAY OF THE FISCAL YEAR.¹⁷

BUDGETS OF ENTERPRISE FUNDS MAY BE INCREASED BY RESOLUTION OF THE GOVERNING BODY (PUBLIC HEARING NOT REQUIRED).¹⁸

ALL UNEXPENDED APPROPRIATIONS SHALL LAPSE AT THE END OF THE BUDGET YEAR.¹⁹

CITY OFFICERS SHALL NOT MAKE OR INCUR EXPENDITURES IN EXCESS OF TOTAL APPROPRIATIONS FOR ANY DEPARTMENT IN THE BUDGET AS ADOPTED OR AS SUBSEQUENTLY AMENDED.²⁰

BUDGETED AMOUNTS ARE AS ORIGINALLY ADOPTED, OR AS AMENDED BY THE CITY COUNCIL DURING THE YEAR ENDED JUNE 30, 2006. INDIVIDUAL AMENDMENTS WERE NOT MATERIAL IN RELATION TO THE ORIGINAL APPROPRIATIONS WHICH WERE AMENDED.

⁵UTAH CODE SECTION 10-6-112

⁶UTAH CODE SECTION 10-6-113

⁷UTAH CODE SECTION 10-6-114

⁸UTAH CODE SECTION 10-6-115

⁹UTAH CODE SECTION 10-6-118

¹⁰UTAH CODE SECTION 10-6-113

¹¹TAXES OTHER THAN PROPERTY TAX REQUIRE LEGISLATIVE ENACTMENT, BY CONTINUING STATUTES OF ORDINANCES

¹²UTAH CODE SECTION 10-6-124

¹³UTAH CODE SECTION 10-6-125

¹⁴UTAH CODE SECTION 10-6-126

¹⁵UTAH CODE SECTION 10-6-109

¹⁶UTAH CODE SECTION 10-6-113 AND 10-6-114

¹⁷UTAH CODE SECTION 10-6-128

¹⁸UTAH CODE SECTION 10-6-135

¹⁹UTAH CODE SECTION 10-6-130

²⁰UTAH CODE SECTION 10-6-10-6-123

NOTE 4. DEPOSITS AND INVESTMENTS

THE GOVERNMENT MAINTAINS A CASH AND INVESTMENT POOL THAT IS AVAILABLE FOR USE BY ALL FUNDS. EACH FUND TYPE'S PORTION OF THIS POOL IS DISPLAYED ON THE COMBINED BALANCE SHEET AS "CASH AND CASH EQUIVALENTS."

DEPOSITS. AT YEAR-END, THE CARRYING AMOUNT OF THE GOVERNMENT'S TOTAL DEPOSITS WAS (\$326,096) AND THE TOTAL BANK BALANCE WAS \$81,477. THE GOVERNMENT HAS A DEPOSIT, WHICH IS INCLUDED IN THE GOVERNMENT'S TOTAL DEPOSITS OF \$241,193 IN A SEPARATE BANK; OF THIS BANK BALANCE, \$100,000 WAS COVERED BY FEDERAL DEPOSITORY INSURANCE AND THE REMAINDER WAS UNINSURED AND NOT COLLATERALIZED. UTAH STATE STATUTES DO NOT REQUIRE DEPOSITS TO BE COLLATERALIZED. HOWEVER, THE STATE COMMISSIONER OF FINANCIAL INSTITUTIONS MONITORS FINANCIAL INSTITUTIONS MONTHLY AND ESTABLISHES LIMITS FOR DEPOSIT OF PUBLIC MONEY AT INDIVIDUAL FINANCIAL INSTITUTIONS AND THE CITY FOLLOWS THESE RECOMMENDATIONS.

INVESTMENTS. STATUTES AUTHORIZE THE GOVERNMENT TO INVEST IN OBLIGATIONS OF THE U.S. TREASURY, AGENCIES, AND INSTRUMENTALITIES, COMMERCIAL PAPER RATED A-1 BY STANDARD & POOR'S CORPORATION OR P-1 BY MOODY'S COMMERCIAL PAPER RECORD, BANKERS' ACCEPTANCES, REPURCHASE AGREEMENTS, AND THE UTAH PUBLIC TREASURER'S INVESTMENT FUND (UPTIF), WHICH IS CONTROLLED BY THE STATE OF UTAH MONEY MANAGEMENT ACT. THE AMOUNTS RECORDED APPROXIMATE FAIR VALUE AT JUNE 30, 2006.

THE GOVERNMENT'S INVESTMENT BALANCES AT JUNE 30, 2006 WERE AS FOLLOWS:

| <u>INVESTMENT TYPE</u> | <u>FAIR VALUE</u> | <u>MATURITY</u> | <u>RATING</u> |
|------------------------|--------------------|-----------------|---------------|
| REPURCHASE AGREEMENTS | \$1,649,614 | DAILY | N/A |
| U.S. TREASURIES | 310,956 | VARIOUS | AAA |
| UPTIF | <u>6,641,296</u> | N/A | NOT RATED |
| TOTAL | <u>\$8,601,866</u> | | |

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:

| | |
|---------------------------|--------------------|
| DEPOSITS | \$ (326,096) |
| INVESTMENTS | 8,601,866 |
| CASH ON HAND | <u>2,240</u> |
| CASH AND CASH EQUIVALENTS | <u>\$8,278,010</u> |

THE GOVERNMENT DOES NOT HAVE A FORMAL INVESTMENT POLICY. THE GOVERNMENT, HOWEVER, INVESTS THE MAJORITY OF THE EXCESS FUNDS, OTHER THAN THE FUNDS HELD BY THE BOND TRUSTEE, IN THE UPTIF. THE UPTIF PERMITS THE GOVERNMENT TO WITHDRAW FUNDS ONE DAY AFTER NOTIFYING THE UPTIF OF THE WITHDRAWAL.

FOR AN INVESTMENT, THE CUSTODIAL RISK IS THE RISK THAT IN THE EVENT OF THE FAILURE OF THE COUNTERPARTY, THE GOVERNMENT WILL NOT BE ABLE TO RECOVER THE VALUE OF ITS INVESTMENTS OR COLLATERAL SECURITIES THAT ARE IN THE POSSESSION OF AN OUTSIDE PARTY. THE GOVERNMENT'S \$1,649,614 INVESTMENT IN REPURCHASE AGREEMENTS ARE UNINSURED AND UNREGISTERED INVESTMENTS FOR WHICH THE SECURITIES ARE HELD BY THE COUNTERPARTY. THE GOVERNMENT'S SWEEP ACCOUNT IS THE REPURCHASE AGREEMENTS STATED ABOVE. THE GOVERNMENT FOLLOWS THE STATE OF UTAH MONEY MANAGEMENT ACT RELATING TO CUSTODIAL CREDIT RISK.

THE UTAH PUBLIC TREASURER'S INVESTMENT FUND (UPTIF) IS AN EXTERNAL DEPOSIT AND INVESTMENT POOL WHEREIN GOVERNMENTAL ENTITIES ARE ABLE TO POOL THE MONIES FROM SEVERAL ENTITIES TO IMPROVE INVESTMENT EFFICIENCY AND YIELD. THESE MONIES ARE INVESTED PRIMARILY IN MONEY MARKET SECURITIES AND CONTAIN NO WITHDRAWAL RESTRICTIONS. AS SUCH, THE MONIES INVESTED IN THIS FUND ARE NOT INSURED AND ARE SUBJECT TO THE SAME MARKET RISKS AS ANY SIMILAR INVESTMENT IN MONEY MARKET FUNDS. THE FUND INVESTMENTS MUST COMPLY WITH THE PROVISIONS OF THE UTAH MONEY MANAGEMENT ACT. THE FUND IS NOT SEC REGISTERED. THE FAIR VALUE OF THE GOVERNMENT'S POSITION IN THE FUND IS THE SAME AS THE VALUE OF FUND SHARES.

NOTE 5. PROPERTY TAX

PROPERTY TAXES ARE ATTACHED AS AN ENFORCEABLE LIEN ON PROPERTY AS OF JANUARY 1. TAXES ARE LEVIED ON JUNE 22 FOR THE NEXT FISCAL YEAR BEGINNING JULY 1 AND ARE DUE NOVEMBER 30. CITY PROPERTY TAX REVENUES ARE NOT RECOGNIZED WHEN LEVIED, BECAUSE THEY ARE NOT EXPECTED TO BE COLLECTED WITHIN 60 DAYS AFTER THE END OF THE CURRENT YEAR.

THE GOVERNMENT IS PERMITTED BY THE STATE TO LEVY TAXES UP TO \$7.00 PER \$1,000 OF TAXABLE VALUATION FOR GENERAL GOVERNMENTAL SERVICES OTHER THAN THE PAYMENT OF PRINCIPAL AND INTEREST ON LONG-TERM DEBT AND IN UNLIMITED AMOUNTS FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON LONG-TERM DEBT. THE COMBINED TAX RATE TO FINANCE GENERAL GOVERNMENTAL SERVICES OTHER THAN THE PAYMENT OF PRINCIPAL AND INTEREST ON LONG-TERM DEBT, FOR THE YEAR ENDED JUNE 30, 2006, WAS \$1.36 PER \$1,000 WHICH MEANS THAT THE GOVERNMENT HAS A TAX MARGIN OF \$5.64 PER \$1,000 AND COULD RAISE UP TO \$3,419,000 ADDITIONAL REVENUE PER YEAR FROM THE PRESENT TAXABLE VALUATION OF \$606,233,000 BEFORE THE LIMIT IS REACHED.

NOTE 6. CAPITAL ASSETS

CAPITAL ASSET ACTIVITY FOR THE YEAR ENDED JUNE 30, 2006 WAS AS FOLLOWS:

| | BEGINNING BALANCE | INCREASE | DECREASES | ENDING BALANCE |
|--|----------------------|--------------------|-------------------|---------------------|
| GOVERNMENTAL ACTIVITIES: | | | | |
| CAPITAL ASSETS, NOT BEING DEPRECIATED: | | | | |
| LAND | | | | |
| GENERAL | \$ 4,830,605 | \$ 59,354 | \$ — | \$ 4,889,959 |
| INTERNAL SERVICE FUND | — | — | — | — |
| TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED | <u>4,830,605</u> | <u>59,354</u> | <u>—</u> | <u>4,889,959</u> |
| CAPITAL ASSETS, BEING DEPRECIATED: | | | | |
| BUILDINGS | | | | |
| GENERAL | 7,289,192 | 38,742 | (1,400) | 7,326,534 |
| INTERNAL SERVICE FUND | <u>347,453</u> | <u>—</u> | <u>—</u> | <u>347,453</u> |
| TOTAL | <u>7,636,645</u> | <u>38,742</u> | <u>(1,400)</u> | <u>7,673,987</u> |
| IMPROVEMENTS OTHER THAN BUILDINGS, INCLUDING INFRASTRUCTURE | | | | |
| GENERAL | 24,621,041 | 7,796,563 | (11,778) | 32,405,825 |
| INTERNAL SERVICE FUND | <u>35,286</u> | <u>—</u> | <u>—</u> | <u>35,286</u> |
| TOTAL | <u>24,656,327</u> | <u>7,796,563</u> | <u>(11,778)</u> | <u>32,441,111</u> |
| EQUIPMENT | | | | |
| GENERAL | 1,407,890 | 195,325 | (62,369) | 1,540,847 |
| INTERNAL SERVICE FUND | <u>6,343,289</u> | <u>507,838</u> | <u>(346,401)</u> | <u>6,504,726</u> |
| TOTAL | <u>7,751,179</u> | <u>703,164</u> | <u>(408,770)</u> | <u>8,045,573</u> |
| TOTAL CAPITAL ASSETS BEING DEPRECIATED | | | | |
| GENERAL | 33,318,123 | 8,030,630 | (75,547) | 41,273,206 |
| INTERNAL SERVICE FUND | <u>6,726,028</u> | <u>507,838</u> | <u>(346,401)</u> | <u>6,887,465</u> |
| TOTAL | <u>40,044,151</u> | <u>8,538,468</u> | <u>(421,949)</u> | <u>48,160,671</u> |
| LESS ACCUMULATED DEPRECIATION FOR: | | | | |
| BUILDINGS | | | | |
| GENERAL | (2,445,947) | (248,762) | 1,400 | (2,693,309) |
| INTERNAL SERVICE FUND | <u>(89,240)</u> | <u>(15,945)</u> | <u>—</u> | <u>(105,185)</u> |
| TOTAL | <u>(2,535,187)</u> | <u>(264,707)</u> | <u>1,400</u> | <u>(2,798,494)</u> |
| IMPROVEMENTS | | | | |
| GENERAL | (8,771,703) | (1,248,413) | 11,778 | (10,008,338) |
| INTERNAL SERVICE FUND | <u>(19,837)</u> | <u>(3,331)</u> | <u>—</u> | <u>(23,168)</u> |
| TOTAL | <u>(8,791,540)</u> | <u>(1,251,744)</u> | <u>11,778</u> | <u>(10,031,506)</u> |
| EQUIPMENT | | | | |
| GENERAL | (902,798) | (138,355) | 62,316 | (978,837) |
| INTERNAL SERVICE FUND | <u>(3,758,944)</u> | <u>(772,873)</u> | <u>264,223</u> | <u>(4,267,595)</u> |
| TOTAL | <u>(4,661,742)</u> | <u>(911,229)</u> | <u>326,539</u> | <u>(5,246,423)</u> |
| TOTAL ACCUMULATED DEPRECIATION | | | | |
| GENERAL | (12,120,448) | (1,635,530) | 75,494 | (13,680,484) |
| INTERNAL SERVICE FUND | <u>(3,868,021)</u> | <u>(792,149)</u> | <u>264,223</u> | <u>(4,395,947)</u> |
| TOTAL | <u>(15,988,469)</u> | <u>(2,427,679)</u> | <u>339,717</u> | <u>(18,076,431)</u> |
| TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET | | | | |
| GENERAL | 21,197,675 | 6,395,100 | (53) | 27,592,722 |
| INTERNAL SERVICE FUND | <u>2,858,007</u> | <u>(284,311)</u> | <u>(82,179)</u> | <u>2,491,518</u> |
| TOTAL | <u>24,055,682</u> | <u>6,110,789</u> | <u>(82,232)</u> | <u>30,084,240</u> |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET | | | | |
| GENERAL | 26,028,280 | 6,454,454 | (53) | 32,482,681 |
| INTERNAL SERVICE FUND | <u>2,858,007</u> | <u>(284,311)</u> | <u>(82,179)</u> | <u>2,491,518</u> |
| TOTAL | <u>\$28,886,287</u> | <u>\$6,170,143</u> | <u>\$(82,232)</u> | <u>\$34,974,199</u> |

| | BEGINNING | | | ENDING |
|--|---------------------|---------------------|-----------------|---------------------|
| | <u>BALANCE</u> | <u>INCREASE</u> | <u>DECREASE</u> | <u>BALANCE</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| CAPITAL ASSETS, NOT BEING DEPRECIATED: | <u>\$ 1,142,450</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 1,142,450</u> |
| LAND | <u>1,142,450</u> | <u>—</u> | <u>—</u> | <u>1,142,450</u> |
| TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED CAPITAL | | | | |
| ASSETS, BEING DEPRECIATED: | <u>11,313,342</u> | <u>40,000</u> | <u>—</u> | <u>11,353,342</u> |
| BUILDINGS | <u>31,415,456</u> | <u>1,162,683</u> | <u>(4,693)</u> | <u>32,573,446</u> |
| IMPROVEMENTS OTHER THAN BUILDINGS | <u>520,373</u> | <u>5,878</u> | <u>(9,246)</u> | <u>517,005</u> |
| EQUIPMENT | <u>43,249,171</u> | <u>1,208,561</u> | <u>(13,939)</u> | <u>44,443,793</u> |
| TOTAL CAPITAL ASSETS BEING DEPRECIATED | | | | |
| LESS ACCUMULATED DEPRECIATION FOR: | <u>(7,893,701)</u> | <u>(447,235)</u> | <u>—</u> | <u>(8,340,936)</u> |
| BUILDINGS | <u>(14,484,555)</u> | <u>(1,083,735)</u> | <u>4,693</u> | <u>(15,573,597)</u> |
| IMPROVEMENTS OTHER BUILDINGS | <u>(429,702)</u> | <u>(31,053)</u> | <u>9,746</u> | <u>(451,509)</u> |
| EQUIPMENT | <u>(22,807,958)</u> | <u>(1,572,023)</u> | <u>13,939</u> | <u>(24,366,042)</u> |
| TOTAL ACCUMULATED DEPRECIATION | <u>20,441,213</u> | <u>(363,462)</u> | <u>—</u> | <u>20,077,751</u> |
| TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET | <u>\$21,583,663</u> | <u>\$ (363,462)</u> | <u>\$ —</u> | <u>\$21,220,201</u> |
| BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET | | | | |

THE GOVERNMENT HAS NOT EXPERIENCED AN EVENT OR A CHANGE IN CIRCUMSTANCES WHICH WOULD AFFECT THE CARRYING VALUE OF THE GOVERNMENT'S CAPITAL ASSETS.

DEPRECIATION EXPENSE WAS CHARGED TO FUNCTIONS/DEPARTMENTS OF THE PRIMARY GOVERNMENT AS FOLLOWS:

| | |
|--|--------------------|
| GOVERNMENTAL ACTIVITIES: | |
| GENERAL GOVERNMENT | \$ 863,978 |
| PUBLIC SAFETY | 192,812 |
| PUBLIC WORKS | 838,569 |
| CULTURE, PARKS AND RECREATION | 532,316 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | 4 |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | <u>\$2,427,679</u> |

(NOTE: DEPRECIATION EXPENSE RELATED TO CAPITAL ASSETS HELD BY THE INTERNAL SERVICE FUND ARE INCLUDED IN GENERAL GOVERNMENT)

| | |
|--|--------------------|
| BUSINESS-TYPE ACTIVITIES: | |
| PUBLIC UTILITIES (ELECTRIC, WATER, SEWER AND WASTE COLLECTION) | \$1,422,648 |
| STORM DRAIN | 149,375 |
| TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES | <u>\$1,572,023</u> |

NOTE 7. MISCELLANEOUS REVENUE

THE MISCELLANEOUS REVENUE SHOWN ON PAGE 21 OF THE ACCOMPANYING FINANCIAL STATEMENTS IS DETAILED AS FOLLOWS FOR THE MATERIAL ITEMS:

| | |
|---|------------------|
| GENERAL FUND: | |
| INTEREST INCOME | \$ 319,993 |
| SENIOR CITIZEN REVENUE | 239,350 |
| OTHER | 86,657 |
| | <u>\$646,000</u> |
| SPECIAL ASSESSMENT BONDS #22 FUND: | |
| SPECIAL ASSESSMENT REVENUE | \$221,623 |
| INTEREST INCOME | 31,803 |
| | <u>\$253,426</u> |
| OTHER NONMAJOR GOVERNMENTAL FUNDS: | |
| SALE OF ASSETS | \$290,000 |
| FEMA PAYMENT ON FLOOD | 80,081 |
| SPECIAL ASSESSMENT REVENUE | 39,888 |
| INTEREST INCOME | 18,446 |
| RENTAL INCOME | 17,437 |
| OTHER | 23,497 |
| | <u>\$469,349</u> |

NOTE 8. EMPLOYEE RETIREMENT SYSTEM

PLAN DESCRIPTIONS:

THE GOVERNMENT CONTRIBUTES TO THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM, LOCAL GOVERNMENTAL NONCONTRIBUTORY RETIREMENT SYSTEM AND PUBLIC SAFETY RETIREMENT SYSTEM FOR EMPLOYERS WITH SOCIAL SECURITY COVERAGE COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS AND IRC 401K PLAN (COLLECTIVELY, THE SYSTEMS) ADMINISTERED BY THE UTAH RETIREMENT SYSTEMS. UTAH RETIREMENT SYSTEMS PROVIDE REFUNDS, RETIREMENT BENEFITS, ANNUAL COST OF LIVING ADJUSTMENTS AND DEATH BENEFITS TO PLAN MEMBERS AND BENEFICIARIES IN ACCORDANCE WITH RETIREMENT STATUTES.

THE SYSTEMS ARE ESTABLISHED AND GOVERNED BY THE RESPECTIVE SECTIONS OF CHAPTER 49 OF THE UTAH CODE ANNOTATED 1953 AS AMENDED. THE UTAH STATE RETIREMENT OFFICE ACT IN CHAPTER 49 PROVIDES FOR THE ADMINISTRATION OF THE UTAH RETIREMENT SYSTEMS AND PLANS UNDER THE DIRECTION OF THE UTAH STATE RETIREMENT BOARD WHOSE MEMBERS ARE APPOINTED BY THE GOVERNOR. THE SYSTEMS ISSUE A PUBLICLY AVAILABLE FINANCIAL REPORT THAT INCLUDES FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION FOR THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM, LOCAL GOVERNMENTAL NONCONTRIBUTORY RETIREMENT SYSTEM, AND THE PUBLIC SAFETY RETIREMENT SYSTEM FOR EMPLOYERS WITH SOCIAL SECURITY COVERAGE. A COPY OF THE REPORT MAY BE OBTAINED BY WRITING TO THE UTAH RETIREMENT SYSTEMS, 560 EAST 200 SOUTH, SALT LAKE CITY, UT 84102 OR BY CALLING 1-800-365-8772.

THE GOVERNMENT PROVIDES PENSION BENEFITS FOR THOSE FULL-TIME EMPLOYEES WHO HAVE EXEMPTED OUT OF THE GOVERNMENT'S DEFINED BENEFIT PLAN DESCRIBED ABOVE THROUGH A DEFINED CONTRIBUTION PLAN, ADMINISTERED BY THE ICMA RETIREMENT CORPORATION (ICMA).

DEFINED BENEFIT PENSION PLAN:

FUNDING POLICY. PLAN MEMBERS IN THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM ARE REQUIRED TO CONTRIBUTE 6.00% OF THEIR ANNUAL COVERED SALARY (ALL OR PART MAY BE PAID BY THE EMPLOYER FOR THE EMPLOYEE) AND THE GOVERNMENT IS REQUIRED TO CONTRIBUTE 7.08% OF THEIR ANNUAL COVERED SALARY. IN THE LOCAL GOVERNMENTAL NONCONTRIBUTORY RETIREMENT SYSTEM THE GOVERNMENT IS REQUIRED TO CONTRIBUTE 11.09% OF THEIR ANNUAL COVERED SALARY. IN THE PUBLIC SAFETY RETIREMENT SYSTEM FOR EMPLOYERS WITH SOCIAL SECURITY COVERAGE THE CONTRIBUTORY GOVERNMENT IS REQUIRED TO CONTRIBUTE 19.34% OF THEIR ANNUAL COVERED SALARY FOR MEMBERS IN THE NONCONTRIBUTORY DIVISION. THE CONTRIBUTION RATES ARE THE ACTUARIALLY DETERMINED RATES. THE CONTRIBUTION REQUIREMENTS OF THE SYSTEMS ARE AUTHORIZED BY STATUTE AND SPECIFIED BY THE BOARD.

THE GOVERNMENT CONTRIBUTIONS TO THE LOCAL GOVERNMENTAL CONTRIBUTORY RETIREMENT SYSTEM FOR THE YEARS ENDED JUNE 30, 2006, 2005 AND 2004 WERE \$10,516; \$10,241 AND \$8,594 RESPECTIVELY. FOR THE NONCONTRIBUTORY RETIREMENT SYSTEM THE CONTRIBUTIONS FOR JUNE 30, 2006, 2005 AND 2004 WERE \$409,963; \$370,128 AND \$311,511 RESPECTIVELY. FOR THE PUBLIC SAFETY RETIREMENT SYSTEM THE CONTRIBUTIONS FOR JUNE 30, 2006, 2005 AND 2004 WERE \$190,135; \$177,483 AND \$147,779 RESPECTIVELY. THE CONTRIBUTIONS WERE EQUAL TO THE REQUIRED CONTRIBUTIONS FOR EACH YEAR.

DEFINED CONTRIBUTION PLAN:

IN THE ICMA DEFINED CONTRIBUTION PLAN, BENEFITS DEPEND SOLELY ON AMOUNTS CONTRIBUTED TO THE PLAN PLUS INVESTMENT EARNINGS. EMPLOYEES ARE ELIGIBLE TO PARTICIPATE FROM THE DATE OF EMPLOYMENT. THE EMPLOYER'S OBLIGATION OF 9.65% IS CONTRIBUTED TO THE PLAN MONTHLY. THE CONTRIBUTIONS (AND EARNINGS ALLOCATED TO THE PARTICIPANT'S ACCOUNT) ARE FULLY VESTED FROM THE DATE OF PARTICIPATION IN THE PLAN. THE GOVERNMENT'S TOTAL PAYROLL IN FISCAL YEAR 2006 WAS \$5,885,325. THE GOVERNMENT'S CONTRIBUTIONS WERE CALCULATED USING THE BASE SALARY AMOUNT OF \$393,427, WHICH IS \$42,465 OR 11.09% OF COVERED PAYROLL.

THE 401K PLAN SPONSORED BY THE GOVERNMENT IS AVAILABLE TO ALL ELIGIBLE EMPLOYEES. THE GOVERNMENT IS NOT REQUIRED AND DOES NOT CONTRIBUTE TO THIS PLAN. ALL CONTRIBUTIONS ARE FUNDED BY PLAN PARTICIPANTS. THE CONTRIBUTIONS MADE TO THE PLAN IN THIS FISCAL YEAR WERE \$128,704.

NOTE 9. DUE TO/FROM OTHER FUNDS AND NOTES RECEIVABLE/PAYABLE BETWEEN FUNDS

INTERFUND BALANCES:

THE COMPOSITION OF INTERFUND BALANCES ARE AS FOLLOWS:

ADVANCES FROM/TO OTHER FUNDS:

| <u>RECEIVABLE FUND</u> | <u>PAYABLE FUND</u> | |
|------------------------|-----------------------------|-----------|
| GENERAL FUND | RDA - WEST FOREST STREET | \$227,659 |
| PUBLIC UTILITY FUND | STORM DRAIN FUND | \$225,000 |
| RDA #2 | RDA - WEST FOREST STREET | \$ 18,084 |
| RDA #1 | RDA - X-20 ECONOMIC PROJECT | \$108,000 |
| RDA #2 | EDA - X-20 ECONOMIC PROJECT | \$ 13,618 |
| RDA #2 | EDA - WEST FOREST STREET | \$ 16,202 |

THE INTERFUND BALANCE BETWEEN THE PUBLIC UTILITY FUND AND THE STORM DRAIN FUND IS TO COVER THE CASH DEFICIT IN THE STORM DRAIN FUND. THE DEFICIT IS BEING REDUCED EACH YEAR FROM STORM DRAIN REVENUE.

THE INTERFUND BALANCES FROM THE GENERAL FUND TO THE RDA - WEST FOREST STREET WAS TO COVER THE COST OF ACQUISITION OF LAND. AS THE LAND IS SOLD THE LOAN WILL BE PAID BACK TO THE GENERAL FUND.

THE INTERFUND BALANCES IN THE REDEVELOPMENT AGENCIES REPRESENTS LOANS BY THE EXISTING REDEVELOPMENT PROJECT AREAS TO NEW REDEVELOPMENT PROJECT AREAS TO COVER THE COSTS TO SET UP THE NEW AREAS. THE LOANS WILL BE PAID BACK AS THE TAX INCREMENT IS COLLECTED.

INTERFUND TRANSFERS:

| | TRANSFERS IN | | | TOTAL |
|------------------------------|--------------------|------------------------------------|------------------------------------|--------------------|
| | GENERAL FUND | CAPITAL PROJECT AIRPORT FUND | NON-MAJOR GOVERNMENTAL FUNDS | |
| TRANSFERS OUT | | | | |
| GENERAL FUND | \$ — | \$ 83,740 | \$391,304 | \$ 475,044 |
| ENTERPRISE FUNDS | 2,306,039 | — | 209,050 | 2,515,089 |
| NON-MAJOR GOVERNMENTAL FUNDS | — | 79,417 | — | 79,417 |
| TOTAL | \$2,603,039 | \$163,157 | \$600,354 | \$3,069,550 |

THE ENTERPRISE FUNDS TRANSFER TO THE GENERAL FUND REPRESENTS A RATE OF RETURN TO THE GENERAL FUND AND TO BUILD FUND BALANCE IN EMERGENCY FUNDS. THE GENERAL FUNDS' TRANSFER TO THE NON-MAJOR GOVERNMENTAL FUND IS TO COVER A BOND PAYMENT, TO TRANSFER UNCOMPLETED CAPITAL PROJECTS TO A CAPITAL PROJECT FUND, AND TO REPLENISH THE SPECIAL GUARANTY FUND BALANCE.

NOTE 10. REDEVELOPMENT AGENCY

THE STATE OF UTAH REQUIRES THE FOLLOWING INFORMATION OF THE REDEVELOPMENT AGENCY TO BE REPORTED IN THE NOTES TO THE FINANCIAL STATEMENTS:

| | |
|---|-----------|
| TAX INCREMENT COLLECTED | \$356,263 |
| TAX INCREMENT PAID TO ANOTHER TAXING ENTITY | — |
| OUTSTANDING BONDS OR LOANS OF THE AGENCY | — |
| THE ACTUAL AMOUNT EXPENDED FOR: | |
| ACQUISITION OF PROPERTY | — |
| SITE IMPROVEMENTS | — |
| INSTALLATION OF UTILITIES | — |
| ADMINISTRATIVE COSTS | — |

NOTE 11. CAPITAL PROJECT FUNDS

THE GOVERNMENT CONTINUED TO RECEIVE FEDERAL AND STATE FUNDS FOR IMPROVEMENTS TO THE GOVERNMENT'S AIRPORT. THE IMPROVEMENTS WILL BE FINANCED BY APPROXIMATELY 95.47% FEDERAL AND STATE FUNDS WITH THE GOVERNMENT FUNDING THE REMAINDER. THE IMPROVEMENTS ARE RUNWAY EXTENSION AND TAXIING AREAS.

THE GOVERNMENT SET UP A CAPITAL PROJECT FUND FOR MAJOR CAPITAL EXPENDITURES. THIS CAPITAL PROJECT FUND WAS FUNDED BY TRANSFERS FROM THE GENERAL FUND. THE PROJECTS ARE SCHEDULED TO BE COMPLETED BY JUNE 30, 2007.

NOTE 12. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

THE FOLLOWING INDIVIDUAL FUNDS INCURRED EXPENDITURES IN EXCESS OF BUDGET:

| | BUDGET | ACTUAL | ACTUAL OVER BUDGET |
|------------------------------|-------------|-------------|-----------------------|
| ALL GOVERNMENTAL FUND TYPES: | | | |
| GENERAL FUND | | | |
| FIRE | \$ 484,538 | \$ 507,248 | \$ 22,710 |
| STREETS | 1,403,232 | 1,469,875 | 66,643 |
| CAPITAL PROJECT - AIRPORT | \$6,866,316 | \$7,755,598 | \$889,282 |
| EDA - X20 PROJECT | — | 50,000 | 50,000 |

THE GOVERNMENT EXPENDED GRANT FUNDS THAT WERE RECEIVED OR TO BE REIMBURSED BUT DID NOT AMEND THE BUDGET TO REFLECT THE TOTAL REVENUE WHICH MORE THAN OFFSETS THE EXPENDITURES. THE EDA-X20 PROJECT REPRESENTS A WRITE-OFF, OF AN UNCOLLECTIBLE NOTE RECEIVABLE.

THE FOLLOWING FUNDS HAD A DEFICIT FUND BALANCE AT JUNE 30, 2006:

| | |
|-------------------|------------|
| RDA - WEST FOREST | \$167,454 |
| EDA - X20 PROJECT | \$ 118,000 |
| EDA - WEST FOREST | \$ 15,687 |

THE ABOVE FUNDS WERE ESTABLISHED TO ACCOUNT FOR THE NEW RDA AND EDA PROJECT AREAS. THE RDA WEST FOREST DEFICIT IS MAINLY THE RESULT OF ACQUIRING LAND. THE DEFICITS WILL BE ELIMINATED AS THE TAX INCREMENT IS COLLECTED AND THE RESALE OF THE LAND PURCHASED.

NOTE 13. RISK MANAGEMENT

THE GOVERNMENT IS EXPOSED TO VARIOUS RISKS OF LOSS RELATED TO TORTS; THEFT OF, DAMAGE TO, AND DESTRUCTION OF ASSETS; ERROR AND OMISSIONS; INJURIES TO EMPLOYEES; AND NATURAL DISASTERS. ALL REAL PROPERTY AND ALL VEHICLES, INCLUDING HEAVY EQUIPMENT, ARE INSURED THROUGH COMMERCIAL POLICIES, AND INJURIES TO EMPLOYEES ARE INSURED THROUGH EMPLOYEES' WORKERS COMPENSATION. SETTLED CLAIMS HAVE NOT EXCEEDED THE CITY'S INSURANCE COVERAGE FOR ANY OF THE PAST THREE YEARS. ALL GENERAL LIABILITY IS INSURED THROUGH UTAH RISK MANAGEMENT MUTUAL ASSOCIATION, A RISK POOL TO WHICH THE CITY BELONGS, ALONG WITH 33 OTHER CITIES IN UTAH. PAYMENT OF THE INSURANCE PREMIUM INDEMNIFIES THE CITY FOR CLAIMS THAT EXCEED \$7,500 DEDUCTIBLE PER OCCURRENCE. RIGHTS AND RESPONSIBILITIES OF MEMBER CITIES ARE GOVERNED BY THE INTERLOCAL RISK POOL AGREEMENT.

NOTE 14. SUBSEQUENT EVENT

THE GOVERNMENT ISSUED BONDS AFTER JUNE 30, 2006. SEE NOTE 16 FOR DETAILS.

NOTE 15. CAPITAL LEASES

THE GOVERNMENT HAS ENTERED INTO LEASE AGREEMENTS AS LESSEE FOR FINANCING THE ACQUISITION OF PUBLIC SAFETY EQUIPMENT (GENERAL FIXED ASSETS) AND IMPROVEMENTS OTHER THAN BUILDINGS. THE LEASE AGREEMENTS QUALIFY AS CAPITAL LEASES FOR ACCOUNTING PURPOSES (TITLES TRANSFER AT THE END OF THE LEASE TERMS) AND, THEREFORE, HAVE BEEN RECORDED AT THE PRESENT VALUE OF THE FUTURE MINIMUM LEASE PAYMENTS AS OF THE DATE OF THEIR INCEPTION. THE FOLLOWING IS AN ANALYSIS OF ASSETS LEASED UNDER CAPITAL LEASES AS OF JUNE 30, 2006:

| | <u>INTERNAL SERVICE</u> | <u>GENERAL CAPITAL ASSETS</u> | <u>PUBLIC UTILITY</u> |
|-----------------------------------|-------------------------|-------------------------------|-----------------------|
| IMPROVEMENTS OTHER THAN BUILDINGS | \$ — | \$ — | \$140,185 |
| EQUIPMENT & VEHICLES | 544,499 | 9,847 | — |
| LESS: ACCUMULATED DEPRECIATION | <u>(244,505)</u> | <u>(3,605)</u> | <u>(9,358)</u> |
| CARRYING VALUE | <u>\$299,994</u> | <u>\$ 6,242</u> | <u>\$130,827</u> |

THE CURRENT YEAR'S AMORTIZATION FOR CAPITAL LEASES INCLUDED IN DEPRECIATION EXPENSE IS \$61,051.

THE FOLLOWING IS A SCHEDULE OF THE FUTURE MINIMUM LEASE PAYMENTS UNDER CAPITAL LEASES AND THE PRESENT VALUE OF THE NET MINIMUM LEASE PAYMENTS AT JUNE 30, 2006:

| <u>CAPITAL LEASE PAYMENTS</u> | | | |
|---|-------------------------|----------------|-----------------------|
| <u>FISCAL YEAR ENDED JUNE 30,</u> | <u>INTERNAL SERVICE</u> | <u>GENERAL</u> | <u>PUBLIC UTILITY</u> |
| 2007 | \$ 39,473 | \$2,621 | \$ 8,398 |
| 2008 | 39,473 | 2,620 | 8,398 |
| 2009 | 39,473 | — | 8,398 |
| 2010 | — | — | 8,398 |
| 2011 | — | — | 8,398 |
| 2012-2016 | — | — | 41,988 |
| 2017-2020 | <u>—</u> | <u>—</u> | <u>41,987</u> |
| TOTAL MINIMUM LEASE PAYMENTS | 118,419 | 5,241 | 125,965 |
| LESS AMOUNT REPRESENTING INTEREST | <u>(10,904)</u> | <u>(316)</u> | <u>(7,893)</u> |
| PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS | <u>\$107,515</u> | <u>\$4,925</u> | <u>\$118,072</u> |

THE CHANGES IN CAPITAL LEASES PAYABLE FOR THE YEAR ENDED JUNE 30, 2006 ARE:

| | <u>OUTSTANDING JUNE 30, 2005</u> | <u>ADDITIONS</u> | <u>PAYMENTS</u> | <u>OUTSTANDING JUNE 30, 2006</u> |
|------------------|--------------------------------------|------------------|-----------------|--------------------------------------|
| INTERNAL SERVICE | \$140,002 | \$ — | \$32,487 | \$107,515 |
| GENERAL | 7,238 | — | 2,313 | 4,925 |
| PUBLIC UTILITY | <u>125,441</u> | <u>—</u> | <u>7,369</u> | <u>118,072</u> |
| | <u>\$272,681</u> | <u>\$ —</u> | <u>\$42,169</u> | <u>\$230,512</u> |

NOTE 16. LONG-TERM DEBT

GENERAL OBLIGATION BONDS. THE GOVERNMENT ISSUES GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES. GENERAL OBLIGATION BONDS ARE DIRECT OBLIGATIONS AND PLEDGE THE FULL FAITH AND CREDIT OF THE GOVERNMENT.

REVENUE BONDS. THE GOVERNMENT ISSUES BONDS WHERE THE GOVERNMENT PLEDGES INCOME DERIVED FROM THE ACQUIRED OR CONSTRUCTED ASSETS TO PAY DEBT SERVICE.

SPECIAL ASSESSMENT BONDS. THE GOVERNMENT ISSUES SPECIAL ASSESSMENT BONDS TO PROVIDE FUNDS FOR CONSTRUCTION OF CURB AND GUTTER, IRRIGATION PIPE, STREET AND CULINARY WATER IMPROVEMENTS. THE SPECIAL ASSESSMENT BONDS ARE SECURED BY A LIEN ON THE INDIVIDUAL PROPERTIES IMPROVED. THE GOVERNMENT IS REQUIRED TO ESTABLISH A SPECIAL GUARANTEE FUND WHEN SPECIAL ASSESSMENT BONDS ARE ISSUED. THE GUARANTEE FUND CAN BE FUNDED BY AN APPROPRIATION FROM THE GENERAL FUND, A LEVY OF A TAX NOT TO EXCEED .002 PER DOLLAR OF TAXABLE VALUE OF TAXABLE PROPERTY, ISSUE GENERAL OBLIGATION BONDS; OR APPROPRIATION FROM OTHER SOURCES AS DETERMINED BY THE GOVERNING BODY. THE AMOUNT TRANSFERRED TO THE GUARANTEE FUND EACH YEAR MUST EQUAL .002 PER DOLLAR OF TAXABLE VALUE OF TAXABLE PROPERTY. THE TRANSFER TO THE GUARANTEE FUND MUST BE MADE UNTIL THE FUND IS EQUAL TO NOT LESS THAN THE AGGREGATE OF TEN PERCENT (10%) OF THE AMOUNT OF OUTSTANDING SPECIAL ASSESSMENT BONDS ISSUED ON OR AFTER APRIL 23, 1990.

AS OF JUNE 30, 2006, THE REQUIRED BALANCE IN THE GUARANTEE FUND IS \$132,300. THE FUND HAS A BALANCE OF \$201,759.

DEFEASANCE OF DEBT. AS OF JUNE 30, 2006, THE GOVERNMENT HAS NO OUTSTANDING BALANCE OF DEFEASED DEBT.

BONDS PAYABLE AT JUNE 30, 2006, ARE COMPRISED OF THE FOLLOWING INDIVIDUAL ISSUES:

| BOND ISSUE | DATE OF | INTEREST | TOTAL | OUTSTANDING | CHANGES | | OUTSTANDING | AMOUNT |
|---|---------|----------------|-------------|--------------------|------------------|----------------------|--------------------|-----------|
| | ISSUE | RATE | ISSUED | JUNE 30, 2005 | ISSUED | MATURED | JUNE 30, 2006 | DUE 2007 |
| GOVERNMENTAL ACTIVITIES: | | | | | | | | |
| GENERAL OBLIGATION BONDS: | | | | | | | | |
| GOLF COURSE REFUNDING BONDS | | | | | | | | |
| SERIES 2005 | 5-6-04 | 1.6% - 2.65% | \$ 543,000 | \$ 409,000 | \$ — | \$ (136,000) | \$ 273,000 | \$133,000 |
| SWIMMING POOL BONDS | 5-15-96 | 4.2% - 5.8% | \$2,800,000 | 130,000 | — | (130,000) | — | \$ — |
| FIRE AND AMBULANCE BUILDING | | | | | | | | |
| BONDS SERIES 1/15/00 | 1-20-00 | 5.5%-5.8% | \$3,900,000 | 905,000 | — | (165,000) | 740,000 | \$170,000 |
| REFUNDING BONDS, SERIES 2002 | 9-1-02 | 1.45% - 4.25% | \$4,640,000 | <u>440,000</u> | <u>—</u> | <u>(60,000)</u> | <u>4,390,000</u> | \$200,000 |
| TOTAL GENERAL OBLIGATION BONDS | | | | <u>5,884,000</u> | <u>—</u> | <u>(491,000)</u> | <u>5,393,000</u> | |
| SPECIAL ASSESSMENT BONDS: | | | | | | | | |
| REFUNDING SERIES 2004 - #22 | 8-1-03 | 3.00% | \$1,272,000 | 1,074,000 | — | (202,000) | 872,000 | \$211,000 |
| SERIES 1991 - #23 | 6-1-91 | 5.7% - 7.7% | \$ 475,000 | 35,000 | — | (35,000) | — | \$ — |
| SERIES 1992 - #24 | 6-3-92 | 6.80% - 7.70% | \$ 695,000 | 140,000 | — | (65,000) | 75,000 | \$ 75,000 |
| SERIES 1994 - #25 | 6-9-94 | 5.85% - 6.375% | \$ 403,000 | 108,000 | — | (27,000) | 81,000 | \$ 27,000 |
| SERIES 2000 - #26 | 3-18-98 | 4.50% - 4.90% | \$ 535,000 | <u>330,000</u> | <u>—</u> | <u>(35,000)</u> | <u>295,000</u> | \$ 35,000 |
| TOTAL SPECIAL ASSESSMENTS | | | | <u>1,687,000</u> | <u>—</u> | <u>(364,000)</u> | <u>1,323,000</u> | |
| NOTE PAYABLE | 2-2-04 | 0% | \$ 500,000 | <u>298,000</u> | <u>—</u> | <u>(200,000)</u> | <u>98,000</u> | \$ 98,000 |
| TOTAL GOVERNMENTAL ACTIVITIES BONDS | | | | 7,869,000 | — | (1,055,000) | 6,814,000 | |
| BOND ISSUANCE COST | | | | (428,523) | — | 42,008 | (386,515) | |
| CAPITAL LEASES (SEE NOTE 16) | | | | <u>147,240</u> | <u>—</u> | <u>(34,800)</u> | <u>112,440</u> | |
| TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM DEBT | | | | <u>\$7,587,717</u> | <u>\$ —</u> | <u>\$(1,047,792)</u> | <u>\$6,539,925</u> | |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | |
| REVENUE BONDS: | | | | | | | | |
| ENTERPRISE FUND: | | | | | | | | |
| WATER, SEWER AND ELECTRIC | | | | | | | | |
| REVENUE BONDS SERIES 1987A | 3-24-87 | 0% | \$ 975,000 | \$ 97,500 | \$ — | \$ (97,500) | \$ — | \$ — |
| WATER, SEWER AND ELECTRIC | | | | | | | | |
| REVENUE BOND SERIES 2001 | 4-30-01 | 3.95% | \$2,050,000 | <u>1,452,000</u> | <u>200,000</u> | <u>(102,000)</u> | <u>1,550,000</u> | \$103,000 |
| TOTAL BUSINESS-TYPE ACTIVITIES BONDS | | | | 1,549,500 | 200,000 | (199,500) | 1,550,500 | |
| CAPITAL LEASES (SEE NOTE 15) | | | | <u>125,441</u> | <u>—</u> | <u>(7,369)</u> | <u>118,072</u> | |
| TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT | | | | <u>\$1,674,941</u> | <u>\$200,000</u> | <u>\$ (206,869)</u> | <u>\$1,668,072</u> | |

THE ANNUAL REQUIREMENTS TO AMORTIZE ALL LONG-TERM DEBT OUTSTANDING AS OF JUNE 30, 2006, ARE AS FOLLOWS:

GOVERNMENTAL ACTIVITIES:

| | GENERAL OBLIGATION BONDS | | | | | | | | |
|-----------|--------------------------|-----------------|------------------|------------------|---------------------------------|--------------------|------------------------|------------------|--------------------|
| | GOLF COURSE | | FIRE & AMBULANCE | | REFUNDING BONDS, SERIES 2002 | | SPECIAL ASSESSMENTS | | TOTAL |
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | |
| 2007 | \$133,000 | \$6,836 | \$170,000 | \$40,700 | \$ 200,000 | \$ 171,828 | \$ 348,000 | \$ 50,981 | \$1,121,345 |
| 2008 | 140,000 | 3,710 | 180,000 | 31,350 | 205,000 | 165,828 | 280,000 | 35,819 | 1,041,707 |
| 2009 | — | — | 190,000 | 21,450 | 210,000 | 159,165 | 288,000 | 25,861 | 894,476 |
| 2010 | — | — | 200,000 | 11,000 | 220,000 | 151,815 | 267,000 | 15,610 | 865,425 |
| 2011 | — | — | — | — | 435,000 | 143,565 | 45,000 | 6,860 | 630,425 |
| 2012-2016 | — | — | — | — | 2,465,000 | 439,790 | 95,000 | 7,105 | 3,006,895 |
| 2017-2018 | — | — | — | — | 645,000 | 41,123 | — | — | 686,123 |
| TOTAL | <u>\$273,000</u> | <u>\$10,546</u> | <u>\$740,000</u> | <u>\$104,500</u> | <u>\$4,380,000</u> | <u>\$1,273,114</u> | <u>\$1,323,000</u> | <u>\$142,236</u> | <u>\$8,246,396</u> |

| | NOTES PAYABLE | | |
|-------|-----------------|-------------|-----------------|
| | PRINCIPAL | INTEREST | TOTAL |
| 2007 | <u>\$98,000</u> | <u>\$ —</u> | <u>\$98,000</u> |
| TOTAL | <u>\$98,000</u> | <u>\$ —</u> | <u>\$98,000</u> |

BUSINESS-TYPE ACTIVITIES:

| | WATER, SEWER AND ELECTRIC REVENUE BONDS SERIES 2001 | | |
|-----------|--|------------------|--------------------|
| | PRINCIPAL | INTEREST | TOTAL |
| 2007 | \$ 103,000 | \$ 64,780 | \$ 167,780 |
| 2008 | 102,000 | 60,712 | 162,712 |
| 2009 | 103,000 | 56,683 | 159,683 |
| 2010 | 102,000 | 52,614 | 154,614 |
| 2011 | 103,000 | 48,585 | 151,585 |
| 2012-2016 | 512,000 | 182,135 | 694,135 |
| 2017-2022 | 615,000 | 84,965 | 699,965 |
| TOTAL | <u>\$1,640,000</u> | <u>\$550,474</u> | <u>\$2,190,474</u> |

COMBINED:

| | ACTIVITIES | | |
|-----------|--------------------|--------------------|---------------------|
| | GOVERNMENTAL | BUSINESS-TYPE | TOTAL |
| 2007 | \$1,219,345 | \$ 167,780 | \$ 1,387,125 |
| 2008 | 1,041,707 | 162,712 | 1,204,419 |
| 2009 | 894,476 | 159,683 | 1,054,159 |
| 2010 | 865,425 | 154,614 | 1,020,039 |
| 2011 | 630,425 | 151,585 | 782,010 |
| 2012-2016 | 3,006,895 | 694,135 | 3,701,030 |
| 2017-2022 | 686,123 | 699,965 | 1,386,088 |
| TOTAL | <u>\$8,344,396</u> | <u>\$2,190,474</u> | <u>\$10,534,870</u> |

SUBSEQUENT EVENT:

ON JULY 6, 2006, THE GOVERNMENT ISSUED WATER, SEWER AND ELECTRIC REVENUE BONDS, SERIES 2006A AND SERIES 2006B. THE SERIES 2006A BONDS REFUNDED THE SERIES 2001 BONDS. THE ANNUAL REQUIREMENTS REMAINED THE SAME AS THE ORIGINAL SERIES 2001 BONDS. THE SERIES 2006B BONDS FOR \$6,000,000 WERE ISSUED TO CONSTRUCT A STORM DRAIN SYSTEM.

| | WATER, SEWER AND ELECTRIC REVENUE BONDS | | | | |
|-----------|---|------------------|--------------------|--------------------|--------------------|
| | REFUNDING, SERIES 2006A | | SERIES 2006B | | TOTAL |
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | |
| 2007 | \$ 103,000 | \$ 64,780 | \$ 425,000 | \$ 217,743 | \$ 810,523 |
| 2008 | 102,000 | 60,712 | 415,000 | 224,193 | 801,905 |
| 2009 | 103,000 | 56,683 | 430,000 | 207,593 | 797,276 |
| 2010 | 102,000 | 52,614 | 445,000 | 190,393 | 790,007 |
| 2011 | 103,000 | 48,585 | 465,000 | 172,593 | 789,178 |
| 2012-2016 | 512,000 | 182,135 | 2,615,000 | 568,963 | 3,878,098 |
| 2017-2022 | 615,000 | 84,965 | 1,205,000 | 74,325 | 1,979,290 |
| TOTAL | <u>\$1,640,000</u> | <u>\$550,474</u> | <u>\$6,000,000</u> | <u>\$1,655,801</u> | <u>\$9,846,275</u> |

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SUPPLEMENTAL DATA

FUND DESCRIPTIONS

GENERAL FUND - TO ACCOUNT FOR ALL FINANCIAL RESOURCES EXCEPT THOSE REQUIRED TO BE ACCOUNTED FOR IN ANOTHER FUND.

SPECIAL REVENUE FUNDS - SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR SPECIFIC REVENUES THAT ARE LEGALLY RESTRICTED TO EXPENDITURES FOR PARTICULAR PURPOSES.

REDEVELOPMENT AGENCY -

AGENCY #1 - TO ACCOUNT FOR THE TAX INCREMENT REVENUE RECEIVED BY PROJECT AREA #1 FOR USE TO DEVELOP THE DOWNTOWN DISTRICT.

TRUST - TO ACCOUNT FOR THE REPAYMENT OF REVOLVING LOAN FUNDS AND FOR GRANTS MADE BY THE GOVERNMENT PROVIDED TO BUSINESSES IN THE DOWNTOWN REDEVELOPMENT DISTRICT. THE FUNDS ARE TO BE USED BY BUSINESSES IN THE DISTRICT TO UPGRADE OR RELOCATE.

AGENCY #2 - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY PROJECT AREA #2 FOR USE TO DEVELOP THE PROJECT AREA.

WEST FOREST - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY THE WEST FOREST PROJECT FOR USE TO DEVELOP THE PROJECT AREA.

ECONOMIC DEVELOPMENT AGENCY -

X-20 PROJECT - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY THE X-20 PROJECT TO DEVELOP ECONOMIC GROWTH IN THE PROJECT AREA.

WEST FOREST - TO ACCOUNT FOR THE TAX INCREMENT RECEIVED BY THE WEST FOREST PROJECT TO DEVELOP ECONOMIC GROWTH IN THE PROJECT AREA.

GOLF FUND - TO ACCOUNT FOR THE OPERATIONS AND MAINTENANCE OF THE GOVERNMENT-OWNED COURSE. FINANCING IS PROVIDED BY OPERATING TRANSFERS FROM THE GENERAL FUND TO THE EXTENT USER FEES ARE NOT SUFFICIENT TO PROVIDE SUCH FINANCING. IT IS THE INTENT OF THE COUNCIL TO TREAT THE FUND AS A SPECIAL REVENUE FUND.

LIBRARY FUND - TO ACCOUNT FOR THE OPERATIONS AND MAINTENANCE OF THE GOVERNMENT-OWNED LIBRARY. FINANCING IS PROVIDED BY A SPECIFIC ANNUAL PROPERTY TAX LEVY TO THE EXTENT MISCELLANEOUS REVENUES (PRIMARILY COUNTY REIMBURSEMENT AND FINES) ARE NOT SUFFICIENT TO PROVIDE SUCH FINANCING. SUCH PROPERTY TAXES MAY ONLY BE USED TO FINANCE THE LIBRARY.

AIRPORT FUND - TO ACCOUNT FOR THE OPERATIONS AND MAINTENANCE OF THE GOVERNMENT-OWNED AIRPORT. FINANCING IS PROVIDED BY FEDERAL AND STATE GRANTS AND BY USER FEES, WITH THE GENERAL FUND TRANSFERRING FUNDS INTO THE AIRPORT FUND TO THE EXTENT THE REVENUE SOURCES ARE NOT SUFFICIENT TO COVER EXPENDITURES. THE GOVERNING BODY, BY RESOLUTION, STATED THAT THIS FUND IS NOT INTENDED TO GENERATE PROFITS.

DEBT SERVICE FUND - THE DEBT SERVICE FUND IS USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES AND PAYMENT OF GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST FROM GOVERNMENTAL RESOURCES AND SPECIAL ASSESSMENT BOND PRINCIPAL AND INTEREST FROM SPECIAL ASSESSMENT LEVIES WHEN THE GOVERNMENT IS OBLIGATED IN SOME MANNER FOR THE PAYMENT.

CAPITAL PROJECT FUNDS - CAPITAL PROJECT FUNDS ARE USED TO ACCOUNT FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS.

EMERGENCY DISASTER - TO ACCOUNT FOR SET ASIDE FUNDS TO ASSIST IN REPAIRS TO THE CAPITAL FACILITIES OF THE GOVERNMENT IN CASE OF A NATURAL DISASTER.

GENERAL GOVERNMENT IMPROVEMENTS - TO ACCOUNT FOR THE COST OF CONSTRUCTION OF CAPITAL FACILITIES.

AIRPORT - TO ACCOUNT FOR THE COST OF RUNWAY EXTENSIONS.

ELECTRIC EMERGENCY - TO ACCOUNT FOR SET ASIDE FUNDS TO ASSIST IN REPAIRS OF THE ELECTRICAL SYSTEM IN CASE OF A NATURAL DISASTER.

CEMETERY IMPROVEMENT - TO ACCOUNT FOR THE COST OF UPGRADING AND INCREASING THE SIZE OF THE GOVERNMENT'S CEMETERY.

STREET IMPROVEMENT - TO ACCOUNT FOR FUNDS SET ASIDE TO BUILD A NEW BRIDGE ON 600 NORTH NEAR 1200 WEST.

BRIGHAM CITY CORPORATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

| | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECT FUNDS | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|-------------------------------------|-----------------------------|--------------------------|-----------------------------|---|
| ASSETS | | | | |
| CASH AND CASH EQUIVALENTS | \$ 810,119 | \$ 565,208 | \$ 776,725 | \$ 2,152,052 |
| RECEIVABLES (NET) | 46,528 | 293,032 | - - | 339,560 |
| INTERFUND RECEIVABLES | 156,403 | - - | - - | 156,403 |
| INVENTORIES | - - | - - | - - | - - |
| PREPAID ASSETS | 5,539 | - - | - - | 5,539 |
| TOTAL ASSETS | <u>\$ 1,018,589</u> | <u>\$ 858,240</u> | <u>\$ 776,725</u> | <u>\$ 2,653,554</u> |
| LIABILITIES | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ 41,332 | \$ 2,731 | \$ 19,606 | \$ 63,669 |
| INTERFUND PAYABLES | 384,062 | - - | - - | 384,062 |
| DEFERRED INCOME | 40,422 | 293,032 | - - | 333,454 |
| TOTAL LIABILITIES | <u>465,816</u> | <u>295,763</u> | <u>19,606</u> | <u>781,185</u> |
| FUND BALANCES | | | | |
| RESERVED FOR SPECIFIC PURPOSES | 31,307 | - - | - - | 31,307 |
| UNRESERVED, REPORTED IN: | | | | |
| CAPITAL PROJECT FUNDS | - - | - - | 757,119 | 757,119 |
| DEBT SERVICE FUNDS | - - | 562,477 | - - | 562,477 |
| SPECIAL REVENUE FUNDS | 521,466 | - - | - - | 521,466 |
| GENERAL FUND | - - | - - | - - | - - |
| TOTAL FUND BALANCES | <u>552,773</u> | <u>562,477</u> | <u>757,119</u> | <u>1,872,369</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,018,589</u> | <u>\$ 858,240</u> | <u>\$ 776,725</u> | <u>\$ 2,653,554</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2006

| | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECT FUNDS | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|--|-----------------------------|--------------------------|-----------------------------|---|
| REVENUES: | | | | |
| TAXES | \$ 819,677 | \$ 618,922 | \$ - - | \$ 1,438,599 |
| LICENSES AND PERMITS | - - | - - | - - | - - |
| INTERGOVERNMENTAL REVENUE | 38,812 | - - | - - | 38,812 |
| CHARGES FOR SERVICES | 691,648 | - - | 16,157 | 707,805 |
| FINES AND FORFEITURES | 31,717 | - - | - - | 31,717 |
| MISCELLANEOUS | <u>334,116</u> | <u>55,152</u> | <u>80,081</u> | <u>469,349</u> |
| TOTAL REVENUES | <u>1,915,970</u> | <u>674,074</u> | <u>96,238</u> | <u>2,686,282</u> |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | 160,426 | 160,426 |
| PUBLIC WORKS | 35,276 | - - | 53,012 | 88,288 |
| PARKS, RECREATION AND PUBLIC PROPERTY | 1,169,818 | - - | 1,316 | 1,171,134 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | 614,170 | - - | - - | 614,170 |
| CAPITAL OUTLAY | - - | - - | 35,498 | 35,498 |
| DEBT SERVICE: | | | | |
| PRINCIPAL | - - | 653,000 | - - | 653,000 |
| INTEREST AND FISCAL CHARGES | <u>- -</u> | <u>278,720</u> | <u>- -</u> | <u>278,720</u> |
| TOTAL EXPENDITURES | <u>1,819,264</u> | <u>931,720</u> | <u>250,252</u> | <u>3,001,236</u> |
| EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES | <u>96,706</u> | <u>(257,646)</u> | <u>(154,014)</u> | <u>(314,954)</u> |
| OTHER FINANCING SOURCES [USES]: | | | | |
| TRANSFERS IN | 221,953 | 432,221 | 214,500 | 868,674 |
| TRANSFERS OUT | (218,667) | (129,071) | - - | (347,738) |
| ISSUANCE OF BONDS AND LEASES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES [USES] | <u>3,286</u> | <u>303,150</u> | <u>214,500</u> | <u>520,936</u> |
| NET CHANGE IN FUND BALANCE | 99,992 | 45,504 | 60,486 | 205,982 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>452,781</u> | <u>516,973</u> | <u>696,633</u> | <u>1,666,387</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 552,773</u> | <u>\$ 562,477</u> | <u>\$ 757,119</u> | <u>\$ 1,872,369</u> |

BRIGHAM CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 JUNE 30, 2006

| | REDEVELOPMENT AGENCY | | | | ECONOMIC DEVELOPMENT AGENCY | |
|--|----------------------|------------------|-------------------|------------------|-----------------------------|-----------------|
| | AGENCY #1 | TRUST | AGENCY #2 | WEST FOREST | X20 PROJECT | WEST FOREST |
| ASSETS | | | | | | |
| CASH AND CASH EQUIVALENTS | \$ 2,734 | \$ 39,846 | \$ 127,152 | \$ 78,289 | \$ 3,593 | \$ 1,014 |
| RECEIVABLES (NET) | - - | 40,422 | - - | - - | - - | - - |
| INTERFUND RECEIVABLES | 108,000 | - - | 48,403 | - - | - - | - - |
| INVENTORIES | - - | - - | - - | - - | - - | - - |
| PREPAID ASSETS | - - | - - | - - | - - | 24 | - - |
| TOTAL ASSETS | <u>\$ 110,734</u> | <u>\$ 80,268</u> | <u>\$ 175,555</u> | <u>\$ 78,289</u> | <u>\$ 3,617</u> | <u>\$ 1,014</u> |
| LIABILITIES | | | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ 4,864 | - - | - - | - - | - - | - - |
| INTERFUND PAYABLES | - - | - - | - - | 245,743 | 121,617 | 16,702 |
| DEFERRED INCOME | - - | 40,422 | - - | - - | - - | - - |
| TOTAL LIABILITIES | <u>4,864</u> | <u>40,422</u> | <u>- -</u> | <u>245,743</u> | <u>121,617</u> | <u>16,702</u> |
| FUND BALANCES | | | | | | |
| RESERVED FOR SPECIFIC PURPOSES | - - | - - | - - | - - | - - | - - |
| UNRESERVED, REPORTED IN: | | | | | | |
| CAPITAL PROJECT FUNDS | - - | - - | - - | - - | - - | - - |
| DEBT SERVICE FUNDS | - - | - - | - - | - - | - - | - - |
| SPECIAL REVENUE FUNDS | 105,870 | 39,846 | 175,555 | (167,454) | (118,000) | (15,688) |
| GENERAL FUND | - - | - - | - - | - - | - - | - - |
| TOTAL FUND BALANCES | <u>105,870</u> | <u>39,846</u> | <u>175,555</u> | <u>(167,454)</u> | <u>(118,000)</u> | <u>(15,688)</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 110,734</u> | <u>\$ 80,268</u> | <u>\$ 175,555</u> | <u>\$ 78,289</u> | <u>\$ 3,617</u> | <u>\$ 1,014</u> |

BRIGHAM CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 JUNE 30, 2006

(CONTINUED)

| | GOLF FUND | LIBRARY FUND | AIRPORT FUND | TOTAL SPECIAL REVENUE FUNDS |
|-------------------------------------|------------------|-------------------|-----------------|--------------------------------|
| ASSETS | | | | |
| CASH AND CASH EQUIVALENTS | \$ 44,139 | \$ 509,629 | \$ 3,723 | \$ 810,119 |
| RECEIVABLES (NET) | - - | 4,984 | 1,122 | 46,528 |
| INTERFUND RECEIVABLES | - - | - - | - - | 156,403 |
| INVENTORIES | - - | - - | - - | - - |
| PREPAID ASSETS | 1,591 | 3,924 | - - | 5,539 |
| TOTAL ASSETS | <u>\$ 45,730</u> | <u>\$ 518,537</u> | <u>\$ 4,845</u> | <u>\$ 1,018,589</u> |
| LIABILITIES | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ 27,372 | \$ 8,951 | \$ 145 | \$ 41,332 |
| INTERFUND PAYABLES | - - | - - | - - | 384,062 |
| DEFERRED INCOME | - - | - - | - - | 40,422 |
| TOTAL LIABILITIES | <u>27,372</u> | <u>8,951</u> | <u>145</u> | <u>465,816</u> |
| FUND BALANCES | | | | |
| RESERVED FOR SPECIFIC PURPOSES | 15,309 | 15,998 | - - | 31,307 |
| UNRESERVED, REPORTED IN: | | | | |
| CAPITAL PROJECT FUNDS | - - | - - | - - | - - |
| DEBT SERVICE FUNDS | - - | - - | - - | - - |
| SPECIAL REVENUE FUNDS | 3,049 | 493,588 | 4,700 | 521,466 |
| GENERAL FUND | - - | - - | - - | - - |
| TOTAL FUND BALANCES | <u>18,358</u> | <u>509,586</u> | <u>4,700</u> | <u>552,773</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 45,730</u> | <u>\$ 518,537</u> | <u>\$ 4,845</u> | <u>\$ 1,018,589</u> |

BRIGHAM CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 JUNE 30, 2006

| | FIRE | | REFUNDING | GOLF COURSE |
|-------------------------------------|------------------|-------------------|------------------|------------------|
| | AMBULANCE | SWIMMING POOL | SERIES 2002 | REFUNDING |
| | BUILDING | BONDS | BONDS | BONDS |
| | BONDS | BONDS | BONDS | BONDS |
| ASSETS | | | | |
| CASH AND CASH EQUIVALENTS | \$ 26,539 | \$ 101,769 | \$ 42,139 | \$ 42,604 |
| RECEIVABLES (NET) | - - | - - | - - | - - |
| INTERFUND RECEIVABLES | - - | - - | - - | - - |
| INVENTORIES | - - | - - | - - | - - |
| PREPAID ASSETS | - - | - - | - - | - - |
| TOTAL ASSETS | <u>\$ 26,539</u> | <u>\$ 101,769</u> | <u>\$ 42,139</u> | <u>\$ 42,604</u> |
| LIABILITIES | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ 796 | \$ 531 | \$ 1,404 | \$ - - |
| INTERFUND PAYABLES | - - | - - | - - | - - |
| DEFERRED INCOME | - - | - - | - - | - - |
| TOTAL LIABILITIES | <u>796</u> | <u>531</u> | <u>1,404</u> | <u>- -</u> |
| FUND BALANCES | | | | |
| RESERVED FOR SPECIFIC PURPOSES | - - | - - | - - | - - |
| UNRESERVED, REPORTED IN: | | | | |
| CAPITAL PROJECT FUNDS | - - | - - | - - | - - |
| DEBT SERVICE FUNDS | 25,743 | 101,238 | 40,735 | 42,604 |
| SPECIAL REVENUE FUNDS | - - | - - | - - | - - |
| GENERAL FUND | - - | - - | - - | - - |
| TOTAL FUND BALANCES | <u>25,743</u> | <u>101,238</u> | <u>40,735</u> | <u>42,604</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 26,539</u> | <u>\$ 101,769</u> | <u>\$ 42,139</u> | <u>\$ 42,604</u> |

BRIGHAM CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 JUNE 30, 2006

(CONTINUED)

| | SPECIAL ASSESSMENT BONDS | | | | | TOTAL DEBT |
|-------------------------------------|--------------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | DISTRICT #23 | DISTRICT #24 | DISTRICT #25 | DISTRICT #26 | GUARANTY | SERVICE FUNDS |
| ASSETS | | | | | | |
| CASH AND CASH EQUIVALENTS | \$ 1,943 | \$ 2,242 | \$ 656 | \$ 145,557 | \$ 201,759 | \$ 565,208 |
| RECEIVABLES (NET) | 34,349 | 52,013 | 47,485 | 139,186 | 19,999 | 293,032 |
| INTERFUND RECEIVABLES | - - | - - | - - | - - | - - | - - |
| INVENTORIES | - - | - - | - - | - - | - - | - - |
| PREPAID ASSETS | - - | - - | - - | - - | - - | - - |
| TOTAL ASSETS | <u>\$ 36,292</u> | <u>\$ 54,255</u> | <u>\$ 48,141</u> | <u>\$ 284,743</u> | <u>\$ 221,758</u> | <u>\$ 858,240</u> |
| LIABILITIES | | | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ - - | \$ - - | \$ - - | \$ - - | \$ - - | \$ 2,731 |
| INTERFUND PAYABLES | - - | - - | - - | - - | - - | - - |
| DEFERRED INCOME | 34,349 | 52,013 | 47,485 | 139,186 | 19,999 | 293,032 |
| TOTAL LIABILITIES | <u>34,349</u> | <u>52,013</u> | <u>47,485</u> | <u>139,186</u> | <u>19,999</u> | <u>295,763</u> |
| FUND BALANCES | | | | | | |
| RESERVED FOR SPECIFIC PURPOSES | - - | - - | - - | - - | - - | - - |
| UNRESERVED, REPORTED IN: | | | | | | |
| CAPITAL PROJECT FUNDS | - - | - - | - - | - - | - - | - - |
| DEBT SERVICE FUNDS | 1,943 | 2,242 | 656 | 145,557 | 201,759 | 562,477 |
| SPECIAL REVENUE FUNDS | - - | - - | - - | - - | - - | - - |
| GENERAL FUND | - - | - - | - - | - - | - - | - - |
| TOTAL FUND BALANCES | <u>1,943</u> | <u>2,242</u> | <u>656</u> | <u>145,557</u> | <u>201,759</u> | <u>562,477</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 36,292</u> | <u>\$ 54,255</u> | <u>\$ 48,141</u> | <u>\$ 284,743</u> | <u>\$ 221,758</u> | <u>\$ 858,240</u> |

BRIGHAM CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS
 JUNE 30, 2006

| | EMERGENCY DISASTER | GOVERNMENTAL IMPROVEMENTS |
|-------------------------------------|-----------------------|------------------------------|
| ASSETS | | |
| CASH AND CASH EQUIVALENTS | \$ 469 | \$ 306,350 |
| RECEIVABLES (NET) | - - | - - |
| INTERFUND RECEIVABLES | - - | - - |
| INVENTORIES | - - | - - |
| PREPAID ASSETS | - - | - - |
| TOTAL ASSETS | <u>\$ 469</u> | <u>\$ 306,350</u> |
| LIABILITIES | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ - - | \$ 13,420 |
| INTERFUND PAYABLES | - - | - - |
| DEFERRED INCOME | - - | - - |
| TOTAL LIABILITIES | <u>- -</u> | <u>13,420</u> |
| FUND BALANCES | | |
| RESERVED FOR SPECIFIC PURPOSES | - - | - - |
| UNRESERVED, REPORTED IN: | | |
| CAPITAL PROJECT FUNDS | 469 | 292,930 |
| DEBT SERVICE FUNDS | - - | - - |
| SPECIAL REVENUE FUNDS | - - | - - |
| GENERAL FUND | - - | - - |
| TOTAL FUND BALANCES | <u>469</u> | <u>292,930</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 469</u> | <u>\$ 306,350</u> |

BRIGHAM CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS
 JUNE 30, 2006

(CONTINUED)

| | ELECTRIC EMERGENCY | CEMETERY IMPROVEMENT | STREET IMPROVEMENT | TOTAL CAPITAL PROJECT FUNDS |
|-------------------------------------|-----------------------|-------------------------|-----------------------|--------------------------------|
| ASSETS | | | | |
| CASH AND CASH EQUIVALENTS | \$ 276,133 | \$ 134,035 | \$ 59,738 | \$ 776,725 |
| RECEIVABLES (NET) | - - | - - | - - | - - |
| INTERFUND RECEIVABLES | - - | - - | - - | - - |
| INVENTORIES | - - | - - | - - | - - |
| PREPAID ASSETS | - - | - - | - - | - - |
| TOTAL ASSETS | <u>\$ 276,133</u> | <u>\$ 134,035</u> | <u>\$ 59,738</u> | <u>\$ 776,725</u> |
| LIABILITIES | | | | |
| ACCOUNTS PAYABLE AND ACCRUALS | \$ 6,186 | \$ - - | \$ - - | \$ 19,606 |
| INTERFUND PAYABLES | - - | - - | - - | - - |
| DEFERRED INCOME | - - | - - | - - | - - |
| TOTAL LIABILITIES | <u>6,186</u> | <u>- -</u> | <u>- -</u> | <u>19,606</u> |
| FUND BALANCES | | | | |
| RESERVED FOR SPECIFIC PURPOSES | - - | - - | - - | - - |
| UNRESERVED, REPORTED IN: | | | | |
| CAPITAL PROJECT FUNDS | 269,947 | 134,035 | 59,738 | 757,119 |
| DEBT SERVICE FUNDS | - - | - - | - - | - - |
| SPECIAL REVENUE FUNDS | - - | - - | - - | - - |
| GENERAL FUND | - - | - - | - - | - - |
| TOTAL FUND BALANCES | <u>269,947</u> | <u>134,035</u> | <u>59,738</u> | <u>757,119</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 276,133</u> | <u>\$ 134,035</u> | <u>\$ 59,738</u> | <u>\$ 776,725</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES --- NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2006

| | REDEVELOPMENT AGENCY | | | ECONOMIC DEVELOPMENT AGENCY | | |
|--------------------------------------|----------------------|------------------|-------------------|-----------------------------|---------------------|--------------------|
| | AGENCY #1 | TRUST | AGENCY #2 | WEST FOREST | X20 PROJECT | WEST FOREST |
| REVENUES: | | | | | | |
| TAXES | \$ 163,373 | \$ - - | \$ 192,890 | \$ - - | \$ - - | \$ - - |
| LICENSES AND PERMITS | - - | - - | - - | - - | - - | - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - | - - | - - |
| MISCELLANEOUS | <u>17,246</u> | <u>6,126</u> | <u>1,419</u> | <u>292,540</u> | <u>- -</u> | <u>- -</u> |
| TOTAL REVENUES | <u>180,619</u> | <u>6,126</u> | <u>194,309</u> | <u>292,540</u> | <u>- -</u> | <u>- -</u> |
| EXPENDITURES: | | | | | | |
| CURRENT: | | | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - | - - | - - |
| PUBLIC WORKS | - - | - - | - - | - - | - - | - - |
| PARKS, RECREATION AND PUBLIC | | | | | | |
| PROPERTY | - - | - - | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT | 218,691 | - - | 315,939 | 29,540 | 50,000 | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - | - - | - - |
| DEBT SERVICE: | | | | | | |
| PRINCIPAL | - - | - - | - - | - - | - - | - - |
| INTEREST AND FISCAL CHARGES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>218,691</u> | <u>- -</u> | <u>315,939</u> | <u>29,540</u> | <u>50,000</u> | <u>- -</u> |
| EXCESS [DEFICIENCY] OF REVENUES OVER | | | | | | |
| EXPENDITURES | <u>(38,072)</u> | <u>6,126</u> | <u>(121,630)</u> | <u>263,000</u> | <u>(50,000)</u> | <u>- -</u> |
| OTHER FINANCING SOURCES [USES]: | | | | | | |
| TRANSFERS IN | - - | 30,000 | - - | 99,250 | - - | - - |
| TRANSFERS OUT | (66,000) | - - | (63,250) | - - | - - | - - |
| ISSUANCE OF BONDS & LEASES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES [USES] | <u>(66,000)</u> | <u>30,000</u> | <u>(63,250)</u> | <u>99,250</u> | <u>- -</u> | <u>- -</u> |
| NET CHANGE IN FUND BALANCE | (104,072) | 36,126 | (184,880) | 362,250 | (50,000) | - - |
| FUND BALANCE AT BEGINNING OF YEAR | <u>209,942</u> | <u>3,720</u> | <u>360,435</u> | <u>(529,704)</u> | <u>(68,000)</u> | <u>(15,688)</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 105,870</u> | <u>\$ 39,846</u> | <u>\$ 175,555</u> | <u>\$ (167,454)</u> | <u>\$ (118,000)</u> | <u>\$ (15,688)</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 FOR YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | GOLF FUND | LIBRARY FUND | AIRPORT FUND | TOTAL SPECIAL REVENUE FUNDS |
|--|------------------|-------------------|-----------------|--------------------------------|
| REVENUES: | | | | |
| TAXES | \$ - - | \$ 447,518 | \$ 15,896 | \$ 819,677 |
| LICENSES AND PERMITS | - - | - - | - - | - - |
| INTERGOVERNMENTAL REVENUE | - - | 38,812 | - - | 38,812 |
| CHARGES FOR SERVICES | 619,145 | - - | 72,503 | 691,648 |
| FINES AND FORFEITURES | - - | 31,717 | - - | 31,717 |
| MISCELLANEOUS | <u>4,585</u> | <u>12,200</u> | <u>- -</u> | <u>334,116</u> |
| TOTAL REVENUES | <u>623,730</u> | <u>530,247</u> | <u>88,399</u> | <u>1,915,970</u> |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - |
| PUBLIC WORKS | - - | - - | 35,276 | 35,276 |
| PARKS, RECREATION AND PUBLIC PROPERTY | 704,984 | 464,834 | - - | 1,169,818 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | - - | 614,170 |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| DEBT SERVICE: | | | | |
| PRINCIPAL | - - | - - | - - | - - |
| INTEREST AND FISCAL CHARGES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>704,984</u> | <u>464,834</u> | <u>35,276</u> | <u>1,819,264</u> |
| EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES | <u>(81,254)</u> | <u>65,413</u> | <u>53,123</u> | <u>96,706</u> |
| OTHER FINANCING SOURCES [USES]: | | | | |
| TRANSFERS IN | 92,703 | - - | - - | 221,953 |
| TRANSFERS OUT | (10,000) | - - | (79,417) | (218,667) |
| ISSUANCE OF BONDS AND LEASES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES [USES] | <u>82,703</u> | <u>- -</u> | <u>(79,417)</u> | <u>3,286</u> |
| NET CHANGE IN FUND BALANCE | 1,449 | 65,413 | (26,294) | 99,992 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>16,909</u> | <u>444,173</u> | <u>30,994</u> | <u>452,781</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 18,358</u> | <u>\$ 509,586</u> | <u>\$ 4,700</u> | <u>\$ 552,773</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2006

| | FIRE & AMBULANCE BUILDING BONDS | SWIMMING POOL BONDS | REFUNDING SERIES 2002 BONDS | GOLF COURSE REFUNDING BONDS |
|--|--|------------------------|-----------------------------------|-----------------------------------|
| REVENUES: | | | | |
| TAXES | \$ 227,309 | \$ 145,012 | \$ 246,601 | \$ - - |
| LICENSES AND PERMITS | - - | - - | - - | - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | - - | - - | - - | - - |
| TOTAL REVENUES | <u>227,309</u> | <u>145,012</u> | <u>246,601</u> | <u>- -</u> |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - |
| PUBLIC WORKS | - - | - - | - - | - - |
| PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| DEBT SERVICE: | | | | |
| PRINCIPAL | 165,000 | 130,000 | 60,000 | 136,000 |
| INTEREST AND FISCAL CHARGES | <u>50,424</u> | <u>7,100</u> | <u>174,017</u> | <u>10,305</u> |
| TOTAL EXPENDITURES | <u>215,424</u> | <u>137,100</u> | <u>234,017</u> | <u>146,305</u> |
| EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES | <u>11,885</u> | <u>7,912</u> | <u>12,584</u> | <u>(146,305)</u> |
| OTHER FINANCING SOURCES [USES]: | | | | |
| TRANSFERS IN | - - | - - | - - | 146,600 |
| TRANSFERS OUT | - - | - - | - - | - - |
| ISSUANCE OF BONDS AND LEASES | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES [USES] | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>146,600</u> |
| NET CHANGE IN FUND BALANCE | 11,885 | 7,912 | 12,584 | 295 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>13,858</u> | <u>93,326</u> | <u>28,151</u> | <u>42,309</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 25,743</u> | <u>\$ 101,238</u> | <u>\$ 40,735</u> | <u>\$ 42,604</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 FOR YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | SPECIAL ASSESSMENT BONDS | | | | | TOTAL DEBT |
|--------------------------------------|--------------------------|-----------------|-----------------|-------------------|-------------------|-------------------|
| | DISTRICT #23 | DISTRICT #24 | DISTRICT #25 | DISTRICT #26 | GUARANTY | SERVICE FUNDS |
| REVENUES: | | | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - | \$ - - | \$ 618,922 |
| LICENSES AND PERMITS | - - | - - | - - | - - | - - | - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - | - - | - - |
| MISCELLANEOUS | <u>2,556</u> | <u>12,379</u> | <u>5,931</u> | <u>33,836</u> | <u>450</u> | <u>55,152</u> |
| TOTAL REVENUES | <u>2,556</u> | <u>12,379</u> | <u>5,931</u> | <u>33,836</u> | <u>450</u> | <u>674,074</u> |
| EXPENDITURES: | | | | | | |
| CURRENT: | | | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - | - - | - - |
| PUBLIC WORKS | - - | - - | - - | - - | - - | - - |
| PARKS, RECREATION AND PUBLIC | | | | | | |
| PROPERTY | - - | - - | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - | - - | - - |
| DEBT SERVICE: | | | | | | |
| PRINCIPAL | 35,000 | 65,000 | 27,000 | 35,000 | - - | 653,000 |
| INTEREST AND FISCAL CHARGES | <u>2,717</u> | <u>10,955</u> | <u>6,955</u> | <u>16,247</u> | <u>- -</u> | <u>278,720</u> |
| TOTAL EXPENDITURES | <u>37,717</u> | <u>75,955</u> | <u>33,955</u> | <u>51,247</u> | <u>- -</u> | <u>931,720</u> |
| EXCESS [DEFICIENCY] OF REVENUES OVER | | | | | | |
| EXPENDITURES | <u>(35,161)</u> | <u>(63,576)</u> | <u>(28,024)</u> | <u>(17,411)</u> | <u>450</u> | <u>(257,646)</u> |
| OTHER FINANCING SOURCES [USES]: | | | | | | |
| TRANSFERS IN | 36,508 | 64,071 | 28,492 | - - | 156,550 | 432,221 |
| TRANSFERS OUT | - - | - - | - - | - - | (129,071) | (129,071) |
| ISSUANCE OF BONDS AND LEASES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES [USES] | <u>36,508</u> | <u>64,071</u> | <u>28,492</u> | <u>- -</u> | <u>27,479</u> | <u>303,150</u> |
| NET CHANGE IN FUND BALANCE | 1,347 | 495 | 468 | (17,411) | 27,929 | 45,504 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>596</u> | <u>1,747</u> | <u>188</u> | <u>162,968</u> | <u>173,830</u> | <u>516,973</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 1,943</u> | <u>\$ 2,242</u> | <u>\$ 656</u> | <u>\$ 145,557</u> | <u>\$ 201,759</u> | <u>\$ 562,477</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2006

| | EMERGENCY DISASTER | GOVERNMENT IMPROVEMENTS |
|--|-----------------------|----------------------------|
| REVENUES: | | |
| TAXES | \$ - - | \$ - - |
| LICENSES AND PERMITS | - - | - - |
| INTERGOVERNMENTAL REVENUE | - - | - - |
| CHARGES FOR SERVICES | - - | - - |
| FINES AND FORFEITURES | - - | - - |
| MISCELLANEOUS | <u>80,081</u> | <u>- -</u> |
| TOTAL REVENUES | <u>80,081</u> | <u>- -</u> |
| EXPENDITURES: | | |
| CURRENT: | | |
| GENERAL GOVERNMENT | - - | - - |
| PUBLIC SAFETY | 160,426 | - - |
| PUBLIC WORKS | - - | - - |
| PARKS, RECREATION AND PUBLIC | | |
| PROPERTY | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - |
| CAPITAL OUTLAY | - - | 35,498 |
| DEBT SERVICE: | | |
| PRINCIPAL | - - | - - |
| INTEREST AND FISCAL CHARGES | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>160,426</u> | <u>35,498</u> |
| EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES | <u>(80,345)</u> | <u>(35,498)</u> |
| OTHER FINANCING SOURCES [USES]: | | |
| TRANSFERS IN | 67,500 | 97,000 |
| TRANSFERS OUT | - - | - - |
| ISSUANCE OF BONDS AND LEASES | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES [USES] | <u>67,500</u> | <u>97,000</u> |
| NET CHANGE IN FUND BALANCE | (12,845) | 61,502 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>13,314</u> | <u>231,428</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 469</u> | <u>\$ 292,930</u> |

BRIGHAM CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE --- NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2006

(CONTINUED)

| | ELECTRIC EMERGENCY | CEMETERY IMPROVEMENT | STREET IMPROVEMENT | TOTAL CAPITAL PROJECT FUNDS |
|--|-----------------------|-------------------------|-----------------------|--------------------------------|
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| LICENSES AND PERMITS | - - | - - | - - | - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | 16,157 | - - | 16,157 |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | - - | - - | - - | 80,081 |
| TOTAL REVENUES | - - | 16,157 | - - | 96,238 |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | 160,426 |
| PUBLIC WORKS | 18,347 | - - | 34,665 | 53,012 |
| PARKS, RECREATION AND PUBLIC PROPERTY | - - | 1,316 | - - | 1,316 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | 35,498 |
| DEBT SERVICE: | | | | |
| PRINCIPAL | - - | - - | - - | - - |
| INTEREST AND FISCAL CHARGES | - - | - - | - - | - - |
| TOTAL EXPENDITURES | 18,347 | 1,316 | 34,665 | 250,252 |
| EXCESS [DEFICIENCY] OF REVENUES OVER EXPENDITURES | (18,347) | 14,841 | (34,665) | (154,014) |
| OTHER FINANCING SOURCES [USES]: | | | | |
| TRANSFERS IN | 50,000 | - - | - - | 214,500 |
| TRANSFERS OUT | - - | - - | - - | - - |
| ISSUANCE OF BONDS AND LEASES | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES [USES] | 50,000 | - - | - - | 214,500 |
| NET CHANGE IN FUND BALANCE | 31,653 | 14,841 | (34,665) | 60,486 |
| FUND BALANCE AT BEGINNING OF YEAR | 238,294 | 119,194 | 94,403 | 696,633 |
| FUND BALANCE AT END OF YEAR | \$ 269,947 | \$ 134,035 | \$ 59,738 | \$ 757,119 |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - REDEVELOPMENT AGENCY - AGENCY #1
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------|------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 300,000 | \$ 300,000 | \$ 163,373 | \$ (136,627) |
| INTERGOVERNMENTAL REVENUE | 1,140,455 | 1,140,455 | - - | (1,140,455) |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | 15,000 | 15,000 | 17,246 | 2,246 |
| TOTAL REVENUES | 1,455,455 | 1,455,455 | 180,619 | (1,274,836) |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | 14,998 | 14,998 | 13,451 | 1,547 |
| MATERIALS AND SUPPLIES | 5,000 | 5,000 | 8,415 | (3,415) |
| OTHER SERVICES AND CHARGES | 267,002 | 267,002 | 187,989 | 79,013 |
| CAPITAL OUTLAY | 1,148,455 | 1,148,455 | 8,836 | 1,139,619 |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | 1,435,455 | 1,435,455 | 218,691 | 1,216,764 |
| TOTAL EXPENDITURES | 1,435,455 | 1,435,455 | 218,691 | 1,216,764 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 20,000 | 20,000 | (38,072) | (58,072) |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | (86,000) | (86,000) | (66,000) | 20,000 |
| TOTAL OTHER FINANCING SOURCES (USES) | (86,000) | (86,000) | (66,000) | 20,000 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | (66,000) | (66,000) | (104,072) | (38,072) |
| FUND BALANCE AT BEGINNING OF YEAR | 209,942 | 209,942 | 209,942 | - - |
| FUND BALANCE AT END OF YEAR | \$ 143,942 | \$ 143,942 | \$ 105,870 | \$ (38,072) |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - REDEVELOPMENT AGENCY - TRUST
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | 3,000 | 3,000 | 6,126 | 3,126 |
| TOTAL REVENUES | 3,000 | 3,000 | 6,126 | 3,126 |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | 30,000 | 30,000 | - - | 30,000 |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | 30,000 | 30,000 | - - | 30,000 |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | - - | - - |
| TOTAL EXPENDITURES | 30,000 | 30,000 | - - | 30,000 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (27,000) | (27,000) | 6,126 | 33,126 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 30,000 | 30,000 | 30,000 | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | 30,000 | 30,000 | 30,000 | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 3,000 | 3,000 | 36,126 | 33,126 |
| FUND BALANCE AT BEGINNING OF YEAR | 3,720 | 3,720 | 3,720 | - - |
| FUND BALANCE AT END OF YEAR | \$ 6,720 | \$ 6,720 | \$ 39,846 | \$ 33,126 |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - REDEVELOPMENT AGENCY - AGENCY #2
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------|------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 500,000 | \$ 500,000 | \$ 192,890 | \$ (307,110) |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | 9,600 | 9,600 | 1,419 | (8,181) |
| TOTAL REVENUES | 509,600 | 509,600 | 194,309 | (315,291) |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | 487,749 | 487,749 | 260,407 | 227,342 |
| CAPITAL OUTLAY | 50,000 | 50,000 | 55,532 | (5,532) |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | 537,749 | 537,749 | 315,939 | 221,810 |
| TOTAL EXPENDITURES | 537,749 | 537,749 | 315,939 | 221,810 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (28,149) | (28,149) | (121,630) | (93,481) |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | (69,000) | (69,000) | (63,250) | 5,750 |
| TOTAL OTHER FINANCING SOURCES (USES) | (69,000) | (69,000) | (63,250) | 5,750 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | (97,149) | (97,149) | (184,880) | (87,731) |
| FUND BALANCE AT BEGINNING OF YEAR | 360,435 | 360,435 | 360,435 | - - |
| FUND BALANCE AT END OF YEAR | \$ 263,286 | \$ 263,286 | \$ 175,555 | \$ (87,731) |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - REDEVELOPMENT AGENCY - WEST FOREST
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|--------------|--------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | - - | - - | 292,540 | 292,540 |
| TOTAL REVENUES | - - | - - | 292,540 | 292,540 |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | 6,039 | (6,039) |
| CAPITAL OUTLAY | 125,000 | 125,000 | 23,501 | 101,499 |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | 125,000 | 125,000 | 29,540 | 95,460 |
| TOTAL EXPENDITURES | 125,000 | 125,000 | 29,540 | 95,460 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (125,000) | (125,000) | 263,000 | 388,000 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 125,000 | 125,000 | 99,250 | (25,750) |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | 125,000 | 125,000 | 99,250 | (25,750) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 362,250 | 362,250 |
| FUND BALANCE AT BEGINNING OF YEAR | (529,704) | (529,704) | (529,704) | - - |
| FUND BALANCE AT END OF YEAR | \$ (529,704) | \$ (529,704) | \$ (167,454) | \$ 362,250 |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - ECONOMIC DEVELOPMENT - X20 PROJECT
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH |
|--|--------------------|--------------------|---------------------|--------------------|
| | ORIGINAL | FINAL | ACTUAL | FINAL BUDGET |
| | | | | POSITIVE |
| | | | | (NEGATIVE) |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | - - | - - | - - | - - |
| TOTAL REVENUES | - - | - - | - - | - - |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | 50,000 | (50,000) |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | 50,000 | (50,000) |
| TOTAL EXPENDITURES | - - | - - | 50,000 | (50,000) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | - - | (50,000) | (50,000) |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | - - | - - | - - | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | (50,000) | (50,000) |
| FUND BALANCE AT BEGINNING OF YEAR | (68,000) | (68,000) | (68,000) | - - |
| FUND BALANCE AT END OF YEAR | <u>\$ (68,000)</u> | <u>\$ (68,000)</u> | <u>\$ (118,000)</u> | <u>\$ (50,000)</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - ECONOMIC DEVELOPMENT - WEST FOREST
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH |
|---|--------------------|--------------------|--------------------|--|
| | ORIGINAL | FINAL | ACTUAL | FINAL BUDGET POSITIVE (NEGATIVE) |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | - - | - - | - - | - - |
| TOTAL REVENUES | - - | - - | - - | - - |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | - - | - - | - - | - - |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | - - | - - | - - | - - |
| TOTAL EXPENDITURES | - - | - - | - - | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | - - | - - | - - |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | - - | - - | - - | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | - - | - - |
| FUND BALANCE AT BEGINNING OF YEAR | (15,688) | (15,688) | (15,688) | - - |
| FUND BALANCE AT END OF YEAR | <u>\$ (15,688)</u> | <u>\$ (15,688)</u> | <u>\$ (15,688)</u> | <u>\$ - -</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - GOLF FUND
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | 618,420 | 618,420 | 619,145 | 725 |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | <u>3,200</u> | <u>3,200</u> | <u>4,585</u> | <u>1,385</u> |
| TOTAL REVENUES | <u>621,620</u> | <u>621,620</u> | <u>623,730</u> | <u>2,110</u> |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | 220,422 | 244,422 | 241,241 | 3,181 |
| MATERIALS AND SUPPLIES | 155,752 | 187,252 | 177,046 | 10,206 |
| OTHER SERVICES AND CHARGES | 264,149 | 263,149 | 252,356 | 10,793 |
| CAPITAL OUTLAY | <u>34,000</u> | <u>34,500</u> | <u>34,341</u> | <u>159</u> |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | <u>674,323</u> | <u>729,323</u> | <u>704,984</u> | <u>24,339</u> |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>674,323</u> | <u>729,323</u> | <u>704,984</u> | <u>24,339</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(52,703)</u> | <u>(107,703)</u> | <u>(81,254)</u> | <u>26,449</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 52,703 | 117,703 | 92,703 | (25,000) |
| TRANSFERS OUT | <u>- -</u> | <u>(10,000)</u> | <u>(10,000)</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>52,703</u> | <u>107,703</u> | <u>82,703</u> | <u>(25,000)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 1,449 | 1,449 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>16,909</u> | <u>16,909</u> | <u>16,909</u> | - - |
| FUND BALANCE AT END OF YEAR | <u>\$ 16,909</u> | <u>\$ 16,909</u> | <u>\$ 18,358</u> | <u>\$ 1,449</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - LIBRARY FUND
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 403,000 | \$ 403,000 | \$ 447,518 | \$ 44,518 |
| INTERGOVERNMENTAL REVENUE | - | 25,000 | 38,812 | 13,812 |
| CHARGES FOR SERVICES | - | - | - | - |
| FINES AND FORFEITURES | 28,300 | 28,300 | 31,717 | 3,417 |
| MISCELLANEOUS | - | - | 12,200 | 12,200 |
| TOTAL REVENUES | 431,300 | 456,300 | 530,247 | 73,947 |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | 268,194 | 262,694 | 259,927 | 2,767 |
| MATERIALS AND SUPPLIES | 34,800 | 36,900 | 34,714 | 2,186 |
| OTHER SERVICES AND CHARGES | 98,000 | 143,400 | 142,310 | 1,090 |
| CAPITAL OUTLAY | 24,500 | 28,000 | 27,883 | 117 |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | 425,494 | 470,994 | 464,834 | 6,160 |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - | - | - | - |
| MATERIALS AND SUPPLIES | - | - | - | - |
| OTHER SERVICES AND CHARGES | - | - | - | - |
| CAPITAL OUTLAY | - | - | - | - |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | - | - | - | - |
| TOTAL EXPENDITURES | 425,494 | 470,994 | 464,834 | 6,160 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 5,806 | (14,694) | 65,413 | 80,107 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - | - | - | - |
| TRANSFERS OUT | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 5,806 | (14,694) | 65,413 | 80,107 |
| FUND BALANCE AT BEGINNING OF YEAR | 444,173 | 444,173 | 444,173 | - |
| FUND BALANCE AT END OF YEAR | \$ 449,979 | \$ 428,867 | \$ 509,586 | \$ 80,107 |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE - AIRPORT FUND
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------------|-----------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 16,700 | \$ 16,700 | \$ 15,896 | \$ (804) |
| INTERGOVERNMENTAL REVENUE | - - | - - | - - | - - |
| CHARGES FOR SERVICES | - - | - - | - - | - - |
| FINES AND FORFEITURES | - - | - - | - - | - - |
| MISCELLANEOUS | <u>95,487</u> | <u>95,487</u> | <u>72,503</u> | <u>(22,984)</u> |
| TOTAL REVENUES | <u>112,187</u> | <u>112,187</u> | <u>88,399</u> | <u>(23,788)</u> |
| EXPENDITURES: | | | | |
| PARKS, RECREATION AND PUBLIC PROPERTY | | | | |
| PERSONNEL SERVICES | 1,184 | 2,784 | 2,290 | 494 |
| MATERIALS AND SUPPLIES | 27,396 | 33,796 | 29,017 | 4,779 |
| OTHER SERVICES AND CHARGES | 4,190 | 6,190 | 3,969 | 2,221 |
| CAPITAL OUTLAY | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL PARKS, RECREATION AND PUBLIC PROPERTY | <u>32,770</u> | <u>42,770</u> | <u>35,276</u> | <u>7,494</u> |
| COMMUNITY AND ECONOMIC DEVELOPMENT: | | | | |
| PERSONNEL SERVICES | - - | - - | - - | - - |
| MATERIALS AND SUPPLIES | - - | - - | - - | - - |
| OTHER SERVICES AND CHARGES | - - | - - | - - | - - |
| CAPITAL OUTLAY | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>32,770</u> | <u>42,770</u> | <u>35,276</u> | <u>7,494</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>79,417</u> | <u>69,417</u> | <u>53,123</u> | <u>(16,294)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | <u>(79,417)</u> | <u>(79,417)</u> | <u>(79,417)</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(79,417)</u> | <u>(79,417)</u> | <u>(79,417)</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | (10,000) | (26,294) | (16,294) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>30,994</u> | <u>30,994</u> | <u>30,994</u> | <u>- -</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 30,994</u> | <u>\$ 20,994</u> | <u>\$ 4,700</u> | <u>\$ (16,294)</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - FIRE & AMBULANCE BUILDING BONDS
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 215,500 | \$ 218,500 | \$ 227,309 | \$ 8,809 |
| SPECIAL ASSESSMENTS | - - | - - | - - | - - |
| INTEREST | - - | - - | - - | - - |
| TOTAL REVENUES | <u>215,500</u> | <u>218,500</u> | <u>227,309</u> | <u>8,809</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 165,000 | 165,000 | 165,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>50,500</u> | <u>53,500</u> | <u>50,424</u> | <u>3,076</u> |
| TOTAL EXPENDITURES | <u>215,500</u> | <u>218,500</u> | <u>215,424</u> | <u>3,076</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | - - | <u>11,885</u> | <u>11,885</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | - - | - - | - - | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 11,885 | 11,885 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>13,858</u> | <u>13,858</u> | <u>13,858</u> | - - |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 13,858</u> | <u>\$ 13,858</u> | <u>\$ 25,743</u> | <u>\$ 11,885</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SWIMMING POOL BONDS
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 137,500 | \$ 138,500 | \$ 145,012 | \$ 6,512 |
| SPECIAL ASSESSMENTS | - - | - - | - - | - - |
| INTEREST | - - | - - | - - | - - |
| TOTAL REVENUES | <u>137,500</u> | <u>138,500</u> | <u>145,012</u> | <u>6,512</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 130,000 | 130,000 | 130,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>7,500</u> | <u>8,500</u> | <u>7,100</u> | <u>1,400</u> |
| TOTAL EXPENDITURES | <u>137,500</u> | <u>138,500</u> | <u>137,100</u> | <u>1,400</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>- -</u> | <u>- -</u> | <u>7,912</u> | <u>7,912</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>7,912</u> | <u>7,912</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>93,326</u> | <u>93,326</u> | <u>93,326</u> | <u>- -</u> |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 93,326</u> | <u>\$ 93,326</u> | <u>\$ 101,238</u> | <u>\$ 7,912</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - GENERAL OBLIGATION REFUNDING BONDS - 2002
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ 234,300 | \$ 237,300 | \$ 246,601 | \$ 9,301 |
| SPECIAL ASSESSMENTS | - - | - - | - - | - - |
| INTEREST | - - | - - | - - | - - |
| TOTAL REVENUES | <u>234,300</u> | <u>237,300</u> | <u>246,601</u> | <u>9,301</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 60,000 | 60,000 | 60,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>174,300</u> | <u>177,300</u> | <u>174,017</u> | <u>3,283</u> |
| TOTAL EXPENDITURES | <u>234,300</u> | <u>237,300</u> | <u>234,017</u> | <u>3,283</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | - - | <u>12,584</u> | <u>12,584</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | - - | - - | - - | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | <u>12,584</u> | <u>12,584</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>28,151</u> | <u>28,151</u> | <u>28,151</u> | - - |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 28,151</u> | <u>\$ 28,151</u> | <u>\$ 40,735</u> | <u>\$ 12,584</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - GOLF COURSE REFUNDING BONDS
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------|-----------|---|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | - - | - - | - - | - - |
| INTEREST | - - | - - | - - | - - |
| TOTAL REVENUES | - - | - - | - - | - - |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 136,000 | 136,000 | 136,000 | - - |
| INTEREST AND FISCAL CHARGES | 10,600 | 10,600 | 10,305 | 295 |
| TOTAL EXPENDITURES | 146,600 | 146,600 | 146,305 | 295 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (146,600) | (146,600) | (146,305) | 295 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 146,600 | 146,600 | 146,600 | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | 146,600 | 146,600 | 146,600 | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 295 | 295 |
| FUND BALANCE AT BEGINNING OF YEAR | 42,309 | 42,309 | 42,309 | - - |
| FUND BALANCE AT ENDED OF YEAR | \$ 42,309 | \$ 42,309 | \$ 42,604 | \$ 295 |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #22
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | 202,000 | 202,000 | 221,623 | 19,623 |
| INTEREST | <u>33,720</u> | <u>33,720</u> | <u>31,803</u> | <u>(1,917)</u> |
| TOTAL REVENUES | <u>235,720</u> | <u>235,720</u> | <u>253,426</u> | <u>17,706</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 202,000 | 202,000 | 202,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>34,500</u> | <u>34,500</u> | <u>32,236</u> | <u>2,264</u> |
| TOTAL EXPENDITURES | <u>236,500</u> | <u>236,500</u> | <u>234,236</u> | <u>2,264</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(780)</u> | <u>(780)</u> | <u>19,190</u> | <u>19,970</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | (780) | (780) | 19,190 | 19,970 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>98,260</u> | <u>98,260</u> | <u>98,260</u> | <u>- -</u> |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 97,480</u> | <u>\$ 97,480</u> | <u>\$ 117,450</u> | <u>\$ 19,970</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #23
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------------|-----------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | 4,500 | 4,500 | 1,979 | (2,521) |
| INTEREST | <u>1,000</u> | <u>1,000</u> | <u>577</u> | <u>(423)</u> |
| TOTAL REVENUES | <u>5,500</u> | <u>5,500</u> | <u>2,556</u> | <u>(2,944)</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 35,000 | 35,000 | 35,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>4,200</u> | <u>4,200</u> | <u>2,717</u> | <u>1,483</u> |
| TOTAL EXPENDITURES | <u>39,200</u> | <u>39,200</u> | <u>37,717</u> | <u>1,483</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(33,700)</u> | <u>(33,700)</u> | <u>(35,161)</u> | <u>(1,461)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 33,700 | 33,700 | 36,508 | 2,808 |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>33,700</u> | <u>33,700</u> | <u>36,508</u> | <u>2,808</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 1,347 | 1,347 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>596</u> | <u>596</u> | <u>596</u> | - - |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 596</u> | <u>\$ 596</u> | <u>\$ 1,943</u> | <u>\$ 1,347</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #24
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------------|-----------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | 10,000 | 10,000 | 11,154 | 1,154 |
| INTEREST | <u>3,000</u> | <u>3,000</u> | <u>1,225</u> | <u>(1,775)</u> |
| TOTAL REVENUES | <u>13,000</u> | <u>13,000</u> | <u>12,379</u> | <u>(621)</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 65,000 | 65,000 | 65,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>11,350</u> | <u>11,350</u> | <u>10,955</u> | <u>395</u> |
| TOTAL EXPENDITURES | <u>76,350</u> | <u>76,350</u> | <u>75,955</u> | <u>395</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(63,350)</u> | <u>(63,350)</u> | <u>(63,576)</u> | <u>(226)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 63,350 | 63,350 | 64,071 | 721 |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>63,350</u> | <u>63,350</u> | <u>64,071</u> | <u>721</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 495 | 495 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>1,747</u> | <u>1,747</u> | <u>1,747</u> | - - |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 1,747</u> | <u>\$ 1,747</u> | <u>\$ 2,242</u> | <u>\$ 495</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #25
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------------|-----------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | 9,000 | 9,000 | 4,127 | (4,873) |
| INTEREST | <u>2,500</u> | <u>2,500</u> | <u>1,804</u> | <u>(696)</u> |
| TOTAL REVENUES | <u>11,500</u> | <u>11,500</u> | <u>5,931</u> | <u>(5,569)</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 27,000 | 27,000 | 27,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>7,400</u> | <u>7,400</u> | <u>6,955</u> | <u>445</u> |
| TOTAL EXPENDITURES | <u>34,400</u> | <u>34,400</u> | <u>33,955</u> | <u>445</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(22,900)</u> | <u>(22,900)</u> | <u>(28,024)</u> | <u>(5,124)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 22,900 | 22,900 | 28,492 | 5,592 |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>22,900</u> | <u>22,900</u> | <u>28,492</u> | <u>5,592</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 468 | 468 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>188</u> | <u>188</u> | <u>188</u> | <u>- -</u> |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 188</u> | <u>\$ 188</u> | <u>\$ 656</u> | <u>\$ 468</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SPECIAL ASSESSMENT DISTRICT #26
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | 25,000 | 25,000 | 22,178 | (2,822) |
| INTEREST | <u>10,000</u> | <u>10,000</u> | <u>11,658</u> | <u>1,658</u> |
| TOTAL REVENUES | <u>35,000</u> | <u>35,000</u> | <u>33,836</u> | <u>(1,164)</u> |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | 35,000 | 35,000 | 35,000 | - - |
| INTEREST AND FISCAL CHARGES | <u>16,850</u> | <u>16,850</u> | <u>16,247</u> | <u>603</u> |
| TOTAL EXPENDITURES | <u>51,850</u> | <u>51,850</u> | <u>51,247</u> | <u>603</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(16,850)</u> | <u>(16,850)</u> | <u>(17,411)</u> | <u>(561)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(16,850)</u> | <u>(16,850)</u> | <u>(17,411)</u> | <u>(561)</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>162,968</u> | <u>162,968</u> | <u>162,968</u> | - - |
| FUND BALANCE AT ENDED OF YEAR | <u>\$ 146,118</u> | <u>\$ 146,118</u> | <u>\$ 145,557</u> | <u>\$ (561)</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - SPECIAL ASSESSMENT GUARANTY
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------|------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| TAXES | \$ - - | \$ - - | \$ - - | \$ - - |
| SPECIAL ASSESSMENTS | - - | - - | 450 | 450 |
| INTEREST | - - | - - | - - | - - |
| TOTAL REVENUES | - - | - - | 450 | 450 |
| EXPENDITURES: | | | | |
| DEBT SERVICE: | | | | |
| PRINCIPAL RETIREMENT | - - | - - | - - | - - |
| INTEREST AND FISCAL CHARGES | - - | - - | - - | - - |
| TOTAL EXPENDITURES | - - | - - | - - | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | - - | 450 | 450 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 156,550 | 156,550 | 156,550 | - - |
| TRANSFERS OUT | (119,950) | (119,950) | (129,071) | (9,121) |
| TOTAL OTHER FINANCING SOURCES (USES) | 36,600 | 36,600 | 27,479 | (9,121) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 36,600 | 36,600 | 27,929 | (8,671) |
| FUND BALANCE AT BEGINNING OF YEAR | 173,830 | 173,830 | 173,830 | - - |
| FUND BALANCE AT ENDED OF YEAR | \$ 210,430 | \$ 210,430 | \$ 201,759 | \$ (8,671) |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT - EMERGENCY DISASTER
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------|----------|---|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ - - | \$ - - | \$ - - | \$ - - |
| MISCELLANEOUS | - - | 80,000 | 80,081 | 81 |
| TOTAL REVENUES | - - | 80,000 | 80,081 | 81 |
| EXPENDITURES: | | | | |
| CAPITAL OUTLAY: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | 164,500 | 160,426 | 4,074 |
| PUBLIC WORKS | - - | - - | - - | - - |
| PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| TOTAL EXPENDITURES | - - | 164,500 | 160,426 | 4,074 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | (84,500) | (80,345) | 4,155 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 50,000 | 105,000 | 67,500 | (37,500) |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | 50,000 | 105,000 | 67,500 | (37,500) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 50,000 | 20,500 | (12,845) | (33,345) |
| FUND BALANCE AT BEGINNING OF YEAR | 13,314 | 13,314 | 13,314 | - - |
| FUND BALANCE AT END OF YEAR | \$ 63,314 | \$ 33,814 | \$ 469 | \$ (33,345) |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT - GENERAL GOVERNMENT IMPROVEMENTS
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|------------|------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ - - | \$ - - | \$ - - | \$ - - |
| MISCELLANEOUS | - - | - - | - - | - - |
| TOTAL REVENUES | - - | - - | - - | - - |
| EXPENDITURES: | | | | |
| CAPITAL OUTLAY: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | 25,000 | - - | 25,000 |
| PUBLIC WORKS | - - | 91,000 | 17,555 | 73,445 |
| PARKS, RECREATION AND PUBLIC PROPERTY | - - | 61,000 | 17,943 | 43,057 |
| TOTAL EXPENDITURES | - - | 177,000 | 35,498 | 141,502 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - - | (177,000) | (35,498) | 141,502 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | 97,000 | 97,000 | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | - - | 97,000 | 97,000 | - - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | (80,000) | 61,502 | 141,502 |
| FUND BALANCE AT BEGINNING OF YEAR | 231,428 | 231,428 | 231,428 | - - |
| FUND BALANCE AT END OF YEAR | \$ 231,428 | \$ 151,428 | \$ 292,930 | \$ 141,502 |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT - AIRPORT
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 6,363,159 | \$ 6,703,159 | \$ 7,870,971 | \$ 1,167,812 |
| MISCELLANEOUS | - - | - - | - - | - - |
| TOTAL REVENUES | <u>6,363,159</u> | <u>6,703,159</u> | <u>7,870,971</u> | <u>1,167,812</u> |
| EXPENDITURES: | | | | |
| CAPITAL OUTLAY: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - |
| PUBLIC WORKS | 6,526,316 | 6,866,316 | 7,755,599 | (889,283) |
| PARKS, RECREATION AND PUBLIC PROPERTY | - - | - - | - - | - - |
| TOTAL EXPENDITURES | <u>6,526,316</u> | <u>6,866,316</u> | <u>7,755,599</u> | <u>(889,283)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(163,157)</u> | <u>(163,157)</u> | <u>115,372</u> | <u>278,529</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 163,157 | 163,157 | 163,157 | - - |
| TRANSFERS OUT | - - | - - | - - | - - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>163,157</u> | <u>163,157</u> | <u>163,157</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | - - | - - | 278,529 | 278,529 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>443,759</u> | <u>443,759</u> | <u>443,759</u> | <u>- -</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 443,759</u> | <u>\$ 443,759</u> | <u>\$ 722,288</u> | <u>\$ 278,529</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT - ELECTRIC EMERGENCY
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ - - | \$ - - | \$ - - | \$ - - |
| MISCELLANEOUS | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL REVENUES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXPENDITURES: | | | | |
| CAPITAL OUTLAY: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - |
| PUBLIC WORKS | - - | 20,000 | 18,347 | 1,653 |
| PARKS, RECREATION AND PUBLIC PROPERTY | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>- -</u> | <u>20,000</u> | <u>18,347</u> | <u>1,653</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>- -</u> | <u>(20,000)</u> | <u>(18,347)</u> | <u>1,653</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 50,000 | 65,000 | 50,000 | (15,000) |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 50,000 | 45,000 | 31,653 | (13,347) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>238,294</u> | <u>238,294</u> | <u>238,294</u> | <u>- -</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 288,294</u> | <u>\$ 283,294</u> | <u>\$ 269,947</u> | <u>\$ (13,347)</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT - CEMETERY IMPROVEMENT
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ - - | \$ - - | \$ - - | \$ - - |
| MISCELLANEOUS | <u>10,703</u> | <u>10,703</u> | <u>16,157</u> | <u>5,454</u> |
| TOTAL REVENUES | <u>10,703</u> | <u>10,703</u> | <u>16,157</u> | <u>5,454</u> |
| EXPENDITURES: | | | | |
| CAPITAL OUTLAY: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - |
| PUBLIC WORKS | - - | - - | - - | - - |
| PARKS, RECREATION AND PUBLIC PROPERTY | <u>6,300</u> | <u>6,300</u> | <u>1,316</u> | <u>4,984</u> |
| TOTAL EXPENDITURES | <u>6,300</u> | <u>6,300</u> | <u>1,316</u> | <u>4,984</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>4,403</u> | <u>4,403</u> | <u>14,841</u> | <u>10,438</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 4,403 | 4,403 | 14,841 | 10,438 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>119,194</u> | <u>119,194</u> | <u>119,194</u> | - - |
| FUND BALANCE AT END OF YEAR | <u>\$ 123,597</u> | <u>\$ 123,597</u> | <u>\$ 134,035</u> | <u>\$ 10,438</u> |

BRIGHAM CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT - STREET IMPROVEMENTS
YEAR ENDED JUNE 30, 2006

| | BUDGETARY AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-----------------|------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ - - | \$ - - | \$ - - | \$ - - |
| MISCELLANEOUS | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL REVENUES | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXPENDITURES: | | | | |
| CAPITAL OUTLAY: | | | | |
| GENERAL GOVERNMENT | - - | - - | - - | - - |
| PUBLIC SAFETY | - - | - - | - - | - - |
| PUBLIC WORKS | 95,000 | 95,000 | 34,665 | 60,335 |
| PARKS, RECREATION AND PUBLIC PROPERTY | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL EXPENDITURES | <u>95,000</u> | <u>95,000</u> | <u>34,665</u> | <u>60,335</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(95,000)</u> | <u>(95,000)</u> | <u>(34,665)</u> | <u>60,335</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | - - | - - | - - | - - |
| TRANSFERS OUT | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>- -</u> | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(95,000)</u> | <u>(95,000)</u> | <u>(34,665)</u> | <u>60,335</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>94,403</u> | <u>94,403</u> | <u>94,403</u> | <u>- -</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ (597)</u> | <u>\$ (597)</u> | <u>\$ 59,738</u> | <u>\$ 60,335</u> |

BRIGHAM CITY CORPORATION
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCES
JUNE 30, 2006

GOVERNMENTAL CAPITAL ASSETS:

| | |
|---|---------------------|
| LAND | \$4,839,959 |
| BUILDINGS | 7,673,986 |
| IMPROVEMENTS OTHER THAN BUILDINGS | 32,441,113 |
| EQUIPMENT | <u>8,045,572</u> |
| TOTAL GOVERNMENTAL CAPITAL ASSETS | <u>\$53,050,630</u> |

INVESTMENT IN GOVERNMENTAL CAPITAL ASSETS FROM:

| | |
|---|---------------------|
| GENERAL OBLIGATION BONDS | \$ 8,636,242 |
| GENERAL FUND REVENUES | 15,633,012 |
| SPECIAL REVENUE FUND REVENUES | 4,594,781 |
| REDEVELOPMENT AGENCY REVENUES | 702,738 |
| CAPITAL PROJECT FUND REVENUES | 12,823,404 |
| CAPITAL PROJECT FUND DEBT | 3,772,992 |
| INTERNAL SERVICE FUND REVENUES | <u>6,887,466</u> |
| TOTAL INVESTMENT IN GOVERNMENTAL CAPITAL ASSETS | <u>\$53,050,630</u> |

BRIGHAM CITY CORPORATION
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION, ACTIVITY AND FUND
FOR FISCAL YEAR ENDED JUNE 30, 2006

| | BALANCE JUNE 30, 2005 | ADDITIONS | (DEDUCTIONS) TRANSFERS | BALANCE JUNE 30, 2006 |
|--|--------------------------|---------------------|---------------------------|--------------------------|
| GENERAL FUND: | | | | |
| GENERAL GOVERNMENT: | | | | |
| CITY COUNCIL | \$ 7,126 | \$ - | \$ - | \$ 7,126 |
| MAYOR'S OFFICE | 5,165 | - | - | 5,165 |
| ADMINISTRATION | 265,939 | - | - | 265,939 |
| BUILDINGS | <u>709,255</u> | <u>9,554</u> | <u>1,089,147</u> | <u>1,807,956</u> |
| TOTAL GENERAL GOVERNMENT | <u>987,485</u> | <u>9,554</u> | <u>1,089,147</u> | <u>2,086,186</u> |
| PUBLIC SAFETY: | | | | |
| POLICE | 227,798 | 94,848 | (21,454) | 301,192 |
| ANIMAL CONTROL | 296,461 | - | - | 296,461 |
| FIRE | 39,317 | - | (2,955) | 36,362 |
| AMBULANCE | 49,100 | - | - | 49,100 |
| EMERGENCY SERVICES | 4,293,784 | 72,420 | (8,156) | 4,358,049 |
| COMMUNITY DEVELOPMENT/INSPECTION | <u>1,095,276</u> | <u>7,270</u> | <u>(1,095,276)</u> | <u>7,270</u> |
| TOTAL PUBLIC SAFETY | <u>6,001,737</u> | <u>174,538</u> | <u>(1,127,841)</u> | <u>5,048,434</u> |
| PUBLIC WORKS: | | | | |
| STREETS AND HIGHWAYS | 10,466,242 | 33,865 | (9,549) | 10,490,558 |
| ENGINEERING | 76,350 | - | - | 76,350 |
| AIRPORT | <u>8,831,891</u> | <u>7,765,373</u> | <u>(868)</u> | <u>16,596,396</u> |
| TOTAL PUBLIC WORKS | <u>19,374,483</u> | <u>7,799,237</u> | <u>(10,417)</u> | <u>27,163,304</u> |
| LEISURE SERVICES AND PUBLIC PROPERTY: | | | | |
| RECREATION | 108,126 | - | - | 108,126 |
| SWIMMING POOL | 2,821,256 | 15,348 | (1,392) | 2,835,212 |
| LEISURE SERVICES | 5,123 | - | - | 5,123 |
| PARKS | 2,811,946 | 26,724 | (4,277) | 2,834,393 |
| CEMETERY | 740,718 | 14,795 | (4,589) | 750,924 |
| MUSEUM GALLERY | 6,560 | - | (629) | 5,931 |
| SENIOR CITIZENS | <u>28,017</u> | <u>-</u> | <u>-</u> | <u>28,017</u> |
| TOTAL LEISURE SERVICES AND PUBLIC PROPERTY | <u>6,521,747</u> | <u>56,867</u> | <u>(10,887)</u> | <u>6,567,727</u> |
| TOTAL GENERAL FUND | <u>32,885,451</u> | <u>8,040,196</u> | <u>(59,997)</u> | <u>40,865,650</u> |
| SPECIAL REVENUE FUNDS: | | | | |
| GOLF FUND | 3,974,005 | 29,187 | (15,550) | 3,987,643 |
| LIBRARY FUND | 607,138 | - | - | 607,138 |
| REDEVELOPMENT AGENCY #1 FUND | 170,513 | - | - | 170,513 |
| REDEVELOPMENT AGENCY - WEST FOREST | <u>511,820</u> | <u>20,600</u> | <u>-</u> | <u>532,220</u> |
| TOTAL SPECIAL REVENUE FUNDS | <u>5,263,277</u> | <u>49,787</u> | <u>(15,550)</u> | <u>5,297,514</u> |
| INTERNAL SERVICE FUNDS | <u>6,726,029</u> | <u>507,838</u> | <u>(346,401)</u> | <u>6,887,466</u> |
| TOTAL GOVERNMENTAL CAPITAL ASSETS | <u>\$ 44,874,756</u> | <u>\$ 8,597,822</u> | <u>\$ (421,949)</u> | <u>\$ 53,050,630</u> |

BRIGHAM CITY CORPORATION
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION, ACTIVITY AND FUND
JUNE 30, 2006

| | | | | IMPROVEMENTS | |
|--|---------------|--------------|--------------|---------------|--------------|
| | | | | OTHER THAN | |
| | TOTAL | LAND | BUILDINGS | BUILDINGS | EQUIPMENT |
| GENERAL FUND: | | | | | |
| GENERAL GOVERNMENT: | | | | | |
| CITY COUNCIL | \$ 7,126 | \$ - | \$ - | \$ 1,727 | \$ 5,399 |
| MAYOR'S OFFICE | 5,165 | - | - | - | 5,165 |
| ADMINISTRATIVE | 265,939 | - | - | - | 265,939 |
| BUILDINGS | 1,807,956 | 475,276 | 915,518 | 267,048 | 150,114 |
| TOTAL GENERAL GOVERNMENT | 2,086,186 | 475,276 | 915,518 | 268,775 | 426,617 |
| PUBLIC SAFETY: | | | | | |
| POLICE | 301,192 | - | 28,000 | 14,356 | 258,836 |
| ANIMAL CONTROL | 296,461 | 44,271 | 252,190 | - | - |
| FIRE | 36,362 | - | - | - | 36,362 |
| AMBULANCE | 49,100 | - | - | - | 49,100 |
| EMERGENCY SERVICES | 4,358,049 | 429,915 | 3,710,800 | - | 217,333 |
| COMMUNITY DEVELOPMENT/INSPECTION | 7,270 | - | - | - | 7,270 |
| TOTAL PUBLIC SAFETY | 5,048,434 | 474,186 | 3,990,990 | 14,356 | 568,902 |
| PUBLIC WORKS: | | | | | |
| STREETS AND HIGHWAYS | 10,490,558 | 103,591 | 46,652 | 10,334,877 | 5,439 |
| ENGINEERING | 76,350 | - | - | - | 76,350 |
| AIRPORT | 16,596,396 | 2,319,162 | 627,839 | 13,639,627 | 9,768 |
| TOTAL PUBLIC WORKS | 27,163,304 | 2,422,753 | 674,490 | 23,974,504 | 91,557 |
| LEISURE SERVICES AND PUBLIC PROPERTY: | | | | | |
| RECREATION | 108,126 | - | - | 108,126 | - |
| SWIMMING POOL | 2,835,212 | - | - | 2,740,410 | 94,802 |
| LEISURE SERVICES | 5,123 | - | - | - | 5,123 |
| PARKS | 2,834,393 | 833,111 | 245,083 | 1,537,942 | 218,258 |
| CEMETERY | 750,924 | - | 93,633 | 640,644 | 16,647 |
| MUSEUM GALLERY | 5,931 | - | - | 5,931 | - |
| SENIOR CITIZENS | 28,017 | - | - | 2,571 | 25,446 |
| TOTAL LEISURE SERVICES AND PUBLIC PROPERTY | 6,567,726 | 833,111 | 338,716 | 5,035,624 | 360,276 |
| TOTAL GENERAL FUND | 40,865,650 | 4,205,326 | 5,919,714 | 29,293,259 | 1,447,351 |
| SPECIAL REVENUE FUNDS: | | | | | |
| GOLF FUND | 3,987,643 | 2,500 | 852,820 | 3,072,967 | 59,356 |
| LIBRARY FUND | 607,138 | - | 554,000 | 19,000 | 34,138 |
| REDEVELOPMENT AGENCY #1 FUND | 170,513 | 170,513 | - | - | - |
| REDEVELOPMENT AGENCY - WEST FOREST | 532,220 | 511,620 | - | 20,600 | - |
| TOTAL SPECIAL REVENUE FUNDS | 5,297,514 | 684,633 | 1,406,820 | 3,112,567 | 93,495 |
| INTERNAL SERVICE FUND | 6,887,466 | - | 347,452 | 35,286 | 6,504,727 |
| TOTAL GOVERNMENTAL CAPITAL ASSETS | \$ 53,050,630 | \$ 4,889,959 | \$ 7,673,986 | \$ 32,441,113 | \$ 8,045,572 |

BRIGHAM CORPORATION
SCHEDULE OF IMPACT FEE
YEAR ENDED JUNE 30, 2006

THE STATE OF UTAH REQUIRES THE FOLLOWING INFORMATION ON IMPACT FEES TO BE REPORTED IN THE SUPPLEMENTAL DATA SECTION OF THE FINANCIAL STATEMENTS.

THE GOVERNMENT HAS IMPLEMENTED THE COLLECTION OF IMPACT FEES ON NEW DEVELOPMENT FOR PARKS, WATER, WASTE TREATMENT, ELECTRIC AND STORM DRAIN. THE FEES ARE COLLECTED TO EXPAND THE RESPECTIVE INFRASTRUCTURE AS OUTLINED IN A PROPERLY APPROVED CAPITAL FACILITIES PLAN TO HANDLE THE NEW GROWTH. IF THE GOVERNMENT HAS NOT EXPENDED THE IMPACT FEES WITHIN FIVE YEARS, THE FEES MUST BE REBATED BACK TO THE PROPERTY OWNERS. AS OF JUNE 30, 2006, ALL IMPACT FEES WERE EXPENDED ON PROJECTS LISTED IN THE PROPERLY APPROVED CAPITAL FACILITIES PLAN BEFORE THE FIVE YEAR LIMIT. THE BRACKET AMOUNTS IN THE BALANCE COLUMNS REPRESENT EXPENDITURES MORE THAN FEES COLLECTED.

| <u>TYPE</u> | <u>BALANCE JUNE 30, 2005</u> | <u>ADDITIONS</u> | <u>EXPENDITURES</u> | <u>BALANCE JUNE 30, 2006</u> |
|-----------------|----------------------------------|------------------|---------------------|----------------------------------|
| PARKS | \$ (238,476) | \$ 66,242 | \$ — | \$ (172,234) |
| WATER | (1,035,038) | 70,342 | (317,952) | (1,282,648) |
| WASTE TREATMENT | 58,807 | 29,767 | (117,230) | (28,656) |
| ELECTRIC | (78,874) | 26,493 | — | (52,381) |
| STORM DRAIN | (936,82) | 105,417 | (78,564) | (909,968) |

PARKS:

THE GOVERNMENT COLLECTED IMPACT FEES FROM NEW DEVELOPMENT THROUGHOUT THE GOVERNMENT AND MADE NO EXPENDITURES ON INFRASTRUCTURE.

WATER:

THE GOVERNMENT COLLECTED IMPACT FEES FROM NEW DEVELOPMENT THROUGHOUT THE GOVERNMENT. THE EXPENDITURES WERE MADE FOR COSTS RELATED TO GOVERNMENT-WIDE WELL PROJECTS AND EXPANDING THE CULINARY WATER SYSTEM PROJECT.

WASTE TREATMENT:

AS OF JUNE 30, 2005, THE GOVERNMENT HAD UNEXPENDED IMPACT FEES COLLECTED FROM NEW DEVELOPMENT THROUGHOUT THE GOVERNMENT. THE FOLLOWING IS A BALANCE BY YEAR OF THE UNEXPENDED FUNDS:

| | |
|---------------|-----------------|
| JUNE 30, 2004 | \$12,535 |
| JUNE 30, 2005 | 16,505 |
| JUNE 30, 2006 | <u>29,767</u> |
| | <u>\$58,807</u> |

THE EXPENDITURES FOR THE YEAR WERE FOR EXPANDING THE WASTE WATER COLLECTION SYSTEM THROUGHOUT THE GOVERNMENT.

ELECTRIC:

THE GOVERNMENT COLLECTED IMPACT FEES FROM NEW DEVELOPMENT THROUGHOUT THE GOVERNMENT AND MADE NO EXPENDITURE ON INFRASTRUCTURE.

STORM DRAIN:

THE GOVERNMENT COLLECTED IMPACT FEES FROM NEW DEVELOPMENT THROUGHOUT THE GOVERNMENT. THE EXPENDITURES WERE MADE FOR EXPANDING THE STORM DRAIN SYSTEM THROUGHOUT THE GOVERNMENT.

STATISTICAL SECTION

THE STATISTICAL SECTION PRESENTS DETAILED INFORMATION AS A CONTEXT FOR UNDERSTANDING WHAT THE INFORMATION IN THE FINANCIAL STATEMENTS, NOTE DISCLOSURES, AND REQUIRED SUPPLEMENTARY INFORMATION SAYS ABOUT THE GOVERNMENT'S OVERALL FINANCIAL HEALTH.

FINANCIAL TRENDS

THESE SCHEDULES CONTAIN TREND INFORMATION TO HELP THE READER UNDERSTAND HOW THE GOVERNMENT'S FINANCIAL PERFORMANCE AND WELL-BEING HAVE CHANGED OVER TIME.

REVENUE CAPACITY

THESE SCHEDULES CONTAIN INFORMATION TO HELP THE READER ASSESS THE GOVERNMENT'S MOST SIGNIFICANT LOCAL REVENUE SOURCE, THE PROPERTY TAX.

DEBT CAPACITY

THESE SCHEDULES PRESENT INFORMATION TO HELP THE READER ASSESS THE AFFORDABILITY OF THE GOVERNMENT'S CURRENT LEVELS OF OUTSTANDING DEBT AND THE GOVERNMENT'S ABILITY TO ISSUE ADDITIONAL DEBT IN THE FUTURE.

DEMOGRAPHIC AND ECONOMIC INFORMATION

THESE SCHEDULES OFFER DEMOGRAPHIC AND ECONOMIC INDICATORS TO HELP THE READER UNDERSTAND THE ENVIRONMENT WITHIN WHICH THE GOVERNMENT'S FINANCIAL ACTIVITIES TAKE PLACE.

OPERATING INFORMATION

THESE SCHEDULES CONTAIN SERVICE AND INFRASTRUCTURE DATA TO HELP THE READER UNDERSTAND HOW THE INFORMATION IN THE GOVERNMENT'S FINANCIAL REPORT RELATES TO THE SERVICES THE GOVERNMENT PROVIDES AND THE ACTIVITIES IT PERFORMS.

SOURCES: UNLESS OTHERWISE NOTED, THE INFORMATION IN THESE SCHEDULES IS DERIVED FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORTS FOR THE RELEVANT YEAR. THE GOVERNMENT IMPLEMENTED GASB STATEMENT 34 IN 2002; SCHEDULES PRESENTING GOVERNMENT-WIDE INFORMATION INCLUDE INFORMATION BEGINNING IN THAT YEAR.

BRIGHAM CITY CORPORATION
NET ASSETS BY COMPONENT
JUNE 30,

(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT | \$ 17,290,170 | \$ 17,428,367 | \$ 17,781,447 | \$ 20,030,078 | \$ 28,434,274 |
| RESTRICTED | 2,685,546 | 2,532,446 | 2,395,709 | 2,519,447 | 3,101,253 |
| UNRESTRICTED | <u>4,525,312</u> | <u>4,017,445</u> | <u>4,080,578</u> | <u>3,474,085</u> | <u>2,708,975</u> |
| TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS | <u>\$ 24,501,028</u> | <u>\$ 23,978,258</u> | <u>\$ 24,257,734</u> | <u>\$ 26,023,610</u> | <u>\$ 34,244,502</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT | \$ 18,054,167 | \$ 18,838,013 | \$ 19,893,949 | \$ 19,908,722 | \$ 19,552,129 |
| RESTRICTED | 267,227 | 224,402 | 133,437 | 395,113 | 315,957 |
| UNRESTRICTED | <u>1,829,656</u> | <u>1,421,977</u> | <u>2,069,626</u> | <u>1,548,693</u> | <u>2,511,663</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS | <u>\$ 20,151,050</u> | <u>\$ 20,484,392</u> | <u>\$ 22,097,012</u> | <u>\$ 21,852,528</u> | <u>\$ 22,379,749</u> |
| PRIMARY GOVERNMENT: | | | | | |
| INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT | \$ 19,975,716 | \$ 19,960,813 | \$ 20,177,156 | \$ 22,549,525 | \$ 31,535,527 |
| RESTRICTED | 2,952,773 | 2,756,848 | 2,529,146 | 2,914,560 | 3,417,210 |
| UNRESTRICTED | <u>6,354,968</u> | <u>5,439,422</u> | <u>6,150,204</u> | <u>5,022,778</u> | <u>5,220,638</u> |
| TOTAL PRIMARY GOVERNMENT NET ASSETS | <u>\$ 29,283,457</u> | <u>\$ 28,157,083</u> | <u>\$ 28,856,506</u> | <u>\$ 30,486,863</u> | <u>\$ 40,173,375</u> |

BRIGHAM CITY CORPORATION
CHANGES IN NET ASSETS
JUNE 30,

(ACCRUAL BASIS OF ACCOUNTING)

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|--------------|--------------|--------------|--------------|--------------|
| EXPENSES: | | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | | |
| GENERAL GOVERNMENT | \$ 1,888,815 | \$ 1,773,020 | \$ 1,902,881 | \$ 1,726,364 | \$ 2,004,209 |
| PUBLIC SAFETY | 3,369,073 | 3,520,954 | 3,561,814 | 4,679,585 | 4,389,712 |
| PUBLIC WORKS | 2,181,122 | 2,183,658 | 2,029,973 | 2,433,215 | 2,640,303 |
| CULTURE, PARKS AND RECREATION | 3,295,005 | 3,492,612 | 3,539,746 | 3,611,969 | 3,777,252 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | 329,252 | 283,268 | 442,711 | 354,724 | 480,743 |
| INTEREST ON LONG-TERM DEBT | 597,172 | 461,146 | 497,998 | 350,885 | 310,956 |
| TOTAL GOVERNMENTAL ACTIVITIES EXPENSES | 11,660,439 | 11,714,658 | 11,975,123 | 13,156,742 | 13,603,175 |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| WATER | 1,324,111 | 1,131,110 | 1,235,291 | 1,357,390 | 1,433,978 |
| WASTE TREATMENT | 1,760,427 | 1,689,325 | 1,628,899 | 1,703,830 | 1,617,149 |
| ELECTRIC | 6,240,455 | 6,229,495 | 6,316,426 | 6,587,064 | 6,773,513 |
| WASTE COLLECTION | 521,593 | 602,439 | 680,195 | 684,724 | 702,979 |
| STORM DRAINAGE | 158,715 | 275,480 | 269,908 | 375,225 | 364,142 |
| TOTAL BUSINESS-TYPE ACTIVITIES | 10,005,301 | 9,927,849 | 10,130,719 | 10,708,233 | 10,891,761 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | 21,665,740 | 21,642,507 | 22,105,842 | 23,864,975 | 24,494,936 |
| PROGRAM REVENUES: | | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | | |
| CHARGES FOR SERVICES: | | | | | |
| GENERAL GOVERNMENT | 21,828 | 18,333 | 19,704 | 23,815 | 20,235 |
| PUBLIC SAFETY | 629,941 | 676,381 | 706,368 | 815,804 | 859,516 |
| PUBLIC WORKS | 1,072,335 | 1,023,580 | 1,301,567 | 917,454 | 991,702 |
| CULTURE, PARKS AND RECREATION | 1,373,117 | 1,379,260 | 1,380,508 | 1,388,913 | 1,418,640 |
| OPERATING GRANTS AND CONTRIBUTIONS | 653,439 | 682,693 | 748,669 | 784,521 | 775,879 |
| CAPITAL GRANTS AND CONTRIBUTIONS | 99,110 | 284,767 | 481,446 | 2,599,178 | 8,298,327 |
| TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE | 3,849,770 | 4,065,014 | 4,638,262 | 6,529,685 | 12,364,299 |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| CHARGES FOR SERVICES: | | | | | |
| WATER | 1,721,255 | 1,628,708 | 2,661,093 | 1,623,106 | 1,898,811 |
| WASTE TREATMENT | 1,912,366 | 1,938,859 | 1,940,499 | 1,960,427 | 1,830,315 |
| ELECTRIC | 8,260,069 | 8,058,635 | 8,521,539 | 8,472,501 | 9,181,507 |
| WASTE COLLECTION | 852,960 | 865,177 | 912,961 | 909,055 | 960,964 |
| STORM DRAINAGE | 410,925 | 452,869 | 453,500 | 473,438 | 776,292 |
| TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES | 13,157,575 | 12,944,248 | 14,489,592 | 13,438,527 | 14,647,889 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | 17,007,345 | 17,009,262 | 19,127,854 | 19,968,212 | 27,012,188 |
| NET (EXPENSE)/REVENUE: | | | | | |
| GOVERNMENTAL ACTIVITIES | (7,810,669) | (7,649,644) | (7,336,861) | (6,627,057) | (1,238,876) |
| BUSINESS-TYPE ACTIVITIES | 3,152,274 | 3,016,399 | 4,358,873 | 2,730,294 | 3,756,128 |
| TOTAL PRIMARY GOVERNMENT NET (EXPENSE) | (4,658,395) | (4,633,245) | (2,977,988) | (3,896,763) | 2,517,252 |

BRIGHAM CITY CORPORATION

CHANGES IN NET ASSETS

JUNE 30,

(ACCRUAL BASIS OF ACCOUNTING)

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|--------------|-------------|--------------|--------------|--------------|
| GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS | | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | | |
| PROPERTY TAXES | 2,306,981 | 2,032,019 | 1,842,421 | 2,017,745 | 2,061,502 |
| SALES TAXES | 2,507,264 | 2,132,213 | 2,119,018 | 2,322,064 | 2,561,715 |
| FRANCHISE TAXES | 596,197 | 624,415 | 657,960 | 791,767 | 878,071 |
| GRANTS AND CONTRIBUTIONS (UNRESTRICTED) | 62,889 | 33,834 | 18,112 | 12,081 | 20,949 |
| INTEREST AND INVESTMENT EARNINGS | 337,747 | 209,640 | 181,963 | 199,592 | 370,242 |
| MISCELLANEOUS | 40,086 | 41,906 | 50,612 | 74,922 | 338,389 |
| TRANSFERS | 2,768,611 | 2,657,776 | 2,746,252 | 2,974,768 | 3,228,906 |
| TOTAL GOVERNMENTAL ACTIVITIES | 8,619,775 | 7,731,803 | 7,616,338 | 8,392,939 | 9,459,774 |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| TRANSFERS | (2,768,621) | (2,657,776) | (2,746,252) | (2,974,780) | (3,228,906) |
| TOTAL PRIMARY GOVERNMENT | 5,851,154 | 5,074,027 | 4,870,086 | 5,418,159 | 6,230,868 |
| CHANGE IN NET ASSETS: | | | | | |
| GOVERNMENTAL ACTIVITIES | 809,106 | 82,159 | 279,477 | 1,765,882 | 8,220,898 |
| BUSINESS-TYPE ACTIVITIES | 383,653 | 358,623 | 1,612,621 | (244,486) | 527,222 |
| TOTAL PRIMARY GOVERNMENT | \$ 1,192,759 | \$ 440,782 | \$ 1,892,098 | \$ 1,521,396 | \$ 8,748,120 |

BRIGHAM CITY CORPORATION
FUND BALANCES, GOVERNMENTAL FUNDS
JUNE 30,

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| GENERAL FUND: | | | | | |
| RESERVED | \$ 426,408 | \$ 618,632 | \$ 879,488 | \$ 967,500 | \$ 1,170,420 |
| UNRESERVED | 1,700,185 | 1,088,371 | 1,082,198 | 968,594 | 926,370 |
| TOTAL GENERAL FUND | <u>\$ 2,126,593</u> | <u>\$ 1,707,003</u> | <u>\$ 1,961,686</u> | <u>\$ 1,936,094</u> | <u>\$ 2,096,790</u> |
| SPECIAL ASSESSMENT BONDS #22 FUND: | | | | | |
| RESERVED | \$ - | \$ - | \$ - | \$ - | \$ - |
| UNRESERVED | - | - | 49,277 | 98,259 | 117,450 |
| TOTAL SPECIAL ASSESSMENT BONDS #22 FUND | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 49,277</u> | <u>\$ 98,259</u> | <u>\$ 117,450</u> |
| CAPITAL PROJECT - AIRPORT FUND: | | | | | |
| RESERVED | \$ - | \$ - | \$ - | \$ - | \$ - |
| UNRESERVED | - | - | - | 443,760 | 722,288 |
| TOTAL CAPITAL PROJECT - AIRPORT FUND | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 443,760</u> | <u>\$ 722,288</u> |
| ALL OTHER GOVERNMENTAL FUNDS: | | | | | |
| RESERVED | \$ - | \$ - | \$ 23,999 | \$ 28,610 | \$ 31,307 |
| UNRESERVED REPORTED IN: | | | | | |
| SPECIAL REVENUE FUNDS | 1,018,176 | 1,078,956 | 1,004,555 | 424,172 | 521,466 |
| DEBT SERVICE FUNDS | 1,404,364 | 917,629 | 562,761 | 516,974 | 562,477 |
| CAPITAL PROJECT FUNDS | 852,768 | 985,776 | 1,125,291 | 696,633 | 757,119 |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | <u>\$ 3,275,308</u> | <u>\$ 2,982,361</u> | <u>\$ 2,716,606</u> | <u>\$ 1,666,389</u> | <u>\$ 1,872,369</u> |

NOTE: THE INDIVIDUAL FUNDS, OTHER THAN THE GENERAL FUND, ARE LISTED WHEN THE FUND BECOMES A MAJOR FUND.

BRIGHAM CITY CORPORTION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUND
JUNE 30,

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|--------------------|---------------------|---------------------|---------------------|--------------------|
| REVENUE: | | | | | |
| TAXES | \$ 5,410,442 | \$ 4,788,647 | \$ 4,619,399 | \$ 5,131,576 | \$ 5,501,288 |
| LICENSES AND PERMITS | 181,519 | 213,260 | 255,711 | 282,049 | 264,107 |
| INTERGOVERNMENTAL REVENUE | 1,158,455 | 1,365,309 | 1,740,870 | 3,636,158 | 9,415,295 |
| CHARGES FOR SERVICES | 2,422,343 | 2,457,151 | 2,470,146 | 2,600,076 | 2,699,765 |
| FINES AND FORFEITURES | 195,729 | 168,761 | 156,766 | 154,202 | 172,582 |
| MISCELLANEOUS | 1,001,264 | 814,741 | 970,687 | 935,793 | 1,368,775 |
| TOTAL REVENUE | <u>10,369,752</u> | <u>9,807,869</u> | <u>10,213,579</u> | <u>12,739,854</u> | <u>19,421,812</u> |
| EXPENDITURES: | | | | | |
| GENERAL GOVERNMENT | 1,931,332 | 1,715,733 | 1,931,139 | 1,873,166 | 2,101,478 |
| PUBLIC SAFETY | 3,124,334 | 3,359,135 | 3,467,934 | 4,681,612 | 4,457,451 |
| PUBLIC WORKS | 1,473,041 | 1,619,170 | 1,721,413 | 1,512,358 | 1,667,977 |
| PARKS, RECREATION AND PUBLIC PROPERTY | 3,064,739 | 3,146,816 | 3,615,921 | 3,280,435 | 3,474,375 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | 418,583 | 320,269 | 489,132 | 466,887 | 614,170 |
| CAPITAL OUTLAY | 814,201 | 382,431 | 344,150 | 2,596,518 | 7,791,097 |
| DEBT SERVICE: | | | | | |
| PRINCIPAL | 688,000 | 5,110,338 | 2,722,000 | 829,000 | 855,000 |
| INTEREST AND FISCAL CHARGES | 597,172 | 461,146 | 497,998 | 350,885 | 310,956 |
| TOTAL EXPENDITURES | <u>12,111,402</u> | <u>16,115,038</u> | <u>14,789,687</u> | <u>15,590,861</u> | <u>21,272,504</u> |
| EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,741,650)</u> | <u>(6,307,169)</u> | <u>(4,576,108)</u> | <u>(2,851,007)</u> | <u>(1,850,692)</u> |
| OTHER FINANCING SOURCES/(USES): | | | | | |
| TRANSFERS IN | 2,627,189 | 2,607,618 | 2,482,371 | 2,992,590 | 3,337,870 |
| TRANSFERS OUT | (432,396) | (587,338) | (424,932) | (734,293) | (822,782) |
| BOND AND LEASE PROCEEDS | | 4,177,008 | 2,315,000 | 9,647 | - |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>2,194,793</u> | <u>6,197,288</u> | <u>4,372,439</u> | <u>2,267,944</u> | <u>2,515,088</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 453,143</u> | <u>\$ (109,881)</u> | <u>\$ (203,669)</u> | <u>\$ (583,063)</u> | <u>\$ 664,396</u> |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 12.84% | 54.83% | 28.68% | 9.99% | 9.47% |

NOTE: FISCAL YEARS 2003 AND 2004 THE GOVERNMENT REFINANCE GOVERNMENTAL BONDS
TO TAKE ADVANTAGE OF LOWER INTEREST RATES.

BRIGHAM CITY CORPORATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 JUNE 30,

(IN THOUSANDS OF DOLLARS)

| FISCAL YEAR | ASSESSED VALUE OF PROPERTY | | | LESS: | TOTAL | TOTAL |
|----------------|----------------------------|------------|------------|--------------------------|------------------|----------------|
| | RESIDENTIAL | COMMERCIAL | TOTAL | RESIDENTIAL EXEMPTION | TAXABLE VALUE | DIRECT RATE |
| 2002 | \$ 418,862 | \$ 164,408 | \$ 583,270 | \$ 104,008 | \$ 479,262 | \$ 2.551 |
| 2003 | 362,422 | 152,537 | 514,959 | 44,632 | 470,327 | 2.601 |
| 2004 | 342,496 | 145,763 | 488,259 | 18,993 | 469,266 | 2.626 |
| 2005 | 371,708 | 167,255 | 538,963 | 34,564 | 504,399 | 2.636 |
| 2006 | 439,136 | 167,097 | 606,233 | 58,350 | 547,883 | 2.686 |

SOURCE: BOX ELDER COUNTY ASSESSOR

NOTE: PROPERTY IN THE CITY IS REASSESSED BY THE COUNTY APPROXIMATELY EVERY FIVE YEARS. THE STATE OF UTAH REQUIRES A RESIDENTIAL EXEMPTION WHICH LOWERS THE ASSESSED VALUE, WHICH APPROXIMATES MARKET, TO THE TAXABLE VALUE. THERE IS NO EXEMPTION FOR COMMERCIAL PROPERTY.

BRIGHAM CITY CORPORATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
JUNE 30,

(RATE PER \$1,000 OF ASSESSED VALUE)

| FISCAL YEAR | DIRECT RATES | | | | OVERLAPPING RATES | | | | TOTAL DIRECT & OVERLAPPING |
|----------------|---------------|---------------------------------------|-----------------|-----------------|------------------------------------|---|--|--|----------------------------------|
| | BASIC RATE | GENERAL OBLIGATION DEBT SERVICE | LIBRARY RATE | TOTAL DIRECT | BOX ELDER COUNTY DISTRICT | BOX ELDER COUNTY SCHOOL DISTRICT | BOX ELDER MOSQUITO ABATEMENT DISTRICT | BEAR RIVER WATER CONSERVANCY DISTRICT | |
| 2002 | \$ 0.785 | \$ 1.176 | \$ 0.590 | \$ 2.551 | \$ 1.877 | \$ 6.835 | \$ 0.328 | \$ 0.165 | \$ 11.756 |
| 2003 | 0.800 | 1.199 | 0.602 | 2.601 | 1.881 | 6.387 | 0.327 | 0.166 | 11.362 |
| 2004 | 0.801 | 1.233 | 0.592 | 2.626 | 2.255 | 6.408 | 0.328 | 0.167 | 11.784 |
| 2005 | 0.804 | 1.238 | 0.594 | 2.636 | 2.295 | 6.359 | 0.321 | 0.163 | 11.774 |
| 2006 | 0.783 | 1.324 | 0.579 | 2.686 | 2.626 | 6.252 | 0.316 | 0.200 | 12.080 |

NOTES: THE GOVERNMENT'S DIRECT RATES MAY BE INCREASED BY THE MAJORITY VOTE OF THE GOVERNMENT'S COUNCIL.
AFTER THE GOVERNMENT COMPLIES WITH THE STATE OF UTAH'S "TRUTH IN TAXATION" LAW, WHICH REQUIRES
THE GOVERNMENT TO ADVERTISE ITS INTENT TO RAISE THE DIRECT PROPERTY TAX RATE AND TO HOLD PUBLIC
HEARINGS REGARDING THE INCREASE.

THE OVERLAPPING RATES ARE THOSE OF COUNTY AND DISTRICT GOVERNMENTS THAT APPLY TO PROPERTY OWNERS
WITHIN THE GOVERNMENT'S GEOGRAPHIC BOUNDARIES.

SOURCE: BOX ELDER COUNTY

BRIGHAM CITY CORPORATION
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND FOUR YEARS AGO

| TAXPAYER | 2006 | | | 2002 | | |
|----------------------------|------------------------------|------|---|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE |
| AUTOLIV | \$ 51,255,831 | 1 | 8.45% | \$ 76,330,323 | 1 | 13.09% |
| VULCRAFT | 17,394,764 | 2 | 2.87% | 17,219,345 | 2 | 2.95% |
| SMITH'S FOOD & DRUG | 6,922,879 | 3 | 1.14% | 7,643,977 | 3 | 1.31% |
| BRIGHAM COMMUNITY HOSPITAL | 6,412,797 | 4 | 1.06% | 6,475,963 | 4 | 1.11% |
| STAKER PARSON | 6,345,885 | 5 | 1.05% | 5,036,534 | 5 | 0.86% |
| SHOPKO | 3,271,635 | 6 | 0.54% | 3,529,905 | 6 | 0.61% |
| QUESTAR GAS | 2,978,656 | 7 | 0.49% | 2,848,634 | 7 | 0.49% |
| HANSEN CHEVROLET | 2,945,178 | 8 | 0.49% | | | |
| BRIGHAM CRYSTAL INN | 2,239,970 | 9 | 0.37% | | | |
| FLYING J INC | 1,812,621 | 10 | 0.30% | 2,585,437 | 9 | 0.44% |
| LMC CORPORATION | | | | 2,787,518 | 8 | 0.48% |
| COLLIN MILLER | | | | 2,437,299 | 10 | 0.42% |
| | <u>\$ 101,580,216</u> | | <u>16.76%</u> | <u>\$ 126,894,935</u> | | <u>7.58%</u> |

SOURCE: BOX ELDER COUNTY ASSESSOR

BRIGHAM CITY CORPORATION
PROPERTY TAX APPROPRIATION AND COLLECTIONS

| YEAR | TOTAL TAX APPROPRIATIONS | COLLECTED WITHIN THE FISCAL YEAR OF APPROPRIATION | | DELINQUENT TAX COLLECTION | TOTAL COLLECTIONS | |
|------|-----------------------------|--|--------------------------------|---------------------------------|-------------------|--------------------------------|
| | | AMOUNT | PERCENTAGE OF APPROPRIATION | | AMOUNT | PERCENTAGE OF APPROPRIATION |
| | | | | | | |
| 2002 | \$ 1,318,453 | \$ 1,233,124 | 93.5% | \$ 54,564 | \$ 1,287,688 | 97.7% |
| 2003 | 1,333,309 | 1,247,183 | 93.5% | 50,979 | 1,298,162 | 97.4% |
| 2004 | 1,340,493 | 1,235,278 | 92.2% | 45,577 | 1,280,855 | 95.6% |
| 2005 | 1,445,952 | 1,419,750 | 98.2% | 77,076 | 1,496,826 | 103.5% |
| 2006 | NOT AVAILABLE | | | | | |

SOURCE: BOX ELDER COUNTY'S YEAR END REPORT
THE YEAR IS THE COUNTY'S CALENDAR YEAR

BRIGHAM CITY CORPORATION
 DIRECT AND OVERLAPPING SALES TAX RATES
 JUNE 30,

| YEAR | DIRECT RATE | OVERLAPPING RATE | | | TOTAL RATE |
|------|----------------|------------------------|------------------------------|---------------------|---------------|
| | | BOX ELDER COUNTY | UTAH TRANSIT AUTHORITY | STATE OF UTAH | |
| 2002 | 1.00% | 0.25% | 0.25% | 4.75% | 6.25% |
| 2003 | 1.00% | 0.25% | 0.25% | 4.75% | 6.25% |
| 2004 | 1.00% | 0.25% | 0.25% | 4.75% | 6.25% |
| 2005 | 1.00% | 0.25% | 0.25% | 4.75% | 6.25% |
| 2006 | 1.00% | 0.25% | 0.25% | 4.75% | 6.25% |

SOURCE: CITY FINANCE DEPARTMENT

BRIGHAM CITY CORPORATION
 SCHELDULE OF UTILITY RATES
 JUNE 30,

| | RATES PER MONTH | | | | |
|--|-----------------|------------|------------|------------|------------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| SEWER RATES: | | | | | |
| TYPE OF DWELLING | | | | | |
| SINGLE | \$ 23.00 | \$ 25.00 | \$ 25.00 | \$ 25.00 | \$ 25.00 |
| MULTIPLE: | | | | | |
| FIRST TWO UNITS - PER EACH UNIT | 23.00 | 25.00 | 25.00 | 25.00 | 25.00 |
| NEXT THREE UNITS - PER EACH UNIT | 14.80 | 16.10 | 16.10 | 16.10 | 16.10 |
| ADDITIONAL IN EXCESS OF FIVE UNITS - PER EACH UNIT | 6.60 | 7.15 | 7.15 | 7.15 | 7.15 |
| COMMERCIAL AND INDUSTRIAL: | | | | | |
| MINIMUM CHARGE PER UNIT OF OCCUPANCY | | | | | |
| ADDITIONAL CHARGE BASED ON 1,000 GALLONS OF | | | | | |
| WATER USED PER MONTH IN EXCESS OF | | | | | |
| 10,000 GALLONS | 0.44 | 0.44 | 0.44 | 0.44 | 0.44 |
| ELECTRIC RATES | | | | | |
| RATE SCHEDULE #1: | | | | | |
| RESIDENTIAL: | | | | | |
| MINIMUM SINGLE PHASE | \$ 5.0300 | \$ 4.5300 | \$ 4.5300 | \$ 4.5300 | \$ 4.5300 |
| MINIMUM THREE PHASE | 13.6000 | 13.6000 | 13.6000 | 13.6000 | 13.6000 |
| PER KWH USED | 0.0775 | 0.0698 | 0.0698 | 0.0698 | 0.0698 |
| RATE SCHEDULE #2: | | | | | |
| RESIDENTIAL - ALL ELECTRIC SERVICE: | | | | | |
| MINIMUM SINGLE PHASE | 5.0300 | 4.5300 | 4.5300 | 4.5300 | 4.5300 |
| MINIMUM THREE PHASE | 13.6000 | 13.6000 | 13.6000 | 13.6000 | 13.6000 |
| PER KWH USED | 0.0775 | 0.0578 | 0.0578 | 0.0578 | 0.0578 |
| RATE SCHEDULE #6 | | | | | |
| GENERAL SERVICE: | | | | | |
| POWER RATE PER KWH OVER 5KW | 6.7500 | 6.7500 | 6.7500 | 6.7500 | 6.7500 |
| ENERGY RATE: | | | | | |
| FIRST 500 KWH | 0.1201 | 0.1201 | 0.1201 | 0.1201 | 0.1201 |
| NEXT 7,500 KWH | 0.0530 | 0.0530 | 0.0530 | 0.0530 | 0.0530 |
| EACH KWH OVER 7,500 | 0.0367 | 0.0367 | 0.0367 | 0.0367 | 0.0367 |
| RATE SCHEDULE #8: | | | | | |
| MINIMUM RATE | 263.6800 | 263.6800 | 263.6800 | 263.6800 | 263.6800 |
| POWER RATE: | | | | | |
| FIRST 500 KWH | 7.7000 | 7.7000 | 7.7000 | 7.7000 | 7.7000 |
| EACH KWH OVER 500 KWH | 7.7000 | 7.7000 | 7.7000 | 7.7000 | 7.7000 |
| ENERGY RATE - ALL KWH | 0.0290 | 0.0290 | 0.0290 | 0.0290 | 0.0290 |
| RATE SCHEDULE #9: | | | | | |
| MINIMUM RATE | 1,030.0000 | 1,030.0000 | 1,030.0000 | 1,030.0000 | 1,030.0000 |
| POWER RATE: | | | | | |
| DAILY RATE - PER KW | 5.8700 | 5.8700 | 5.8700 | 5.8700 | 5.8700 |
| ENERGY RATE - ALL KWH | 3.0900 | 3.0900 | 3.0900 | 3.0900 | 3.0900 |
| STORM DRAIN RATES: | | | | | |
| RESIDENTIAL | \$ 6.25 | \$ 5.50 | \$ 3.50 | \$ 3.50 | \$ 3.50 |
| COMMERICAL - PER 3,000 SQ. FT. | 6.25 | 5.50 | 3.50 | 3.50 | 3.50 |

BRIGHAM CITY CORPORATION
 SCHELDULE OF UTILITY RATES
 JUNE 30,

| | RATES PER MONTH | | | | |
|--|-----------------|---------|---------|---------|---------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| WASTE COLLECTION RATES: | | | | | |
| SOLID WASTE: | | | | | |
| SINGLE CAN | \$ 7.41 | \$ 7.41 | \$ 7.41 | \$ 7.41 | \$ 7.41 |
| EACH ADDITIONAL CAN | 7.41 | 7.41 | 7.41 | 7.41 | 7.41 |
| COUNTY TIPPING FEE - PER ONE CAN | 5.56 | 5.56 | 5.39 | 5.39 | 5.39 |
| GREEN WASTE: | | | | | |
| EACH CAN | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| WATER RATE: | | | | | |
| 3/4 INCH SERVICE | \$ 7.50 | \$ 7.50 | \$ 7.50 | \$ 7.00 | \$ 7.00 |
| 1 INCH SERVICE | 11.00 | 11.00 | 11.00 | 10.00 | 10.00 |
| 1 3/4 INCH SERVICE | 22.00 | 22.00 | 22.00 | 20.00 | 20.00 |
| 2 INCH SERVICE | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 |
| 3 INCH SERVICE | 65.00 | 65.00 | 65.00 | 61.00 | 61.00 |
| 4 INCH SERVICE | 115.00 | 115.00 | 115.00 | 107.00 | 107.00 |
| 6 INCH SERVICE | 265.00 | 265.00 | 265.00 | 241.00 | 241.00 |
| 8 INCH SERVICE | 444.00 | 440.00 | 440.00 | 577.00 | 577.00 |
| EXCESS WATER RATE PER 1,000 OVER MINIMUM GALLONS | 1.01 | 1.01 | 1.01 | 0.90 | 0.90 |

MONTHLY MINIMUM USAGE ALLOWANCE IN GALLONS

| | | | | | |
|--------------------|---------|---------|---------|---------|---------|
| 3/4 INCH SERVICE | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| 1 INCH SERVICE | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 1 3/4 INCH SERVICE | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 2 INCH SERVICE | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| 3 INCH SERVICE | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 |
| 4 INCH SERVICE | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 |
| 6 INCH SERVICE | 241,000 | 241,000 | 241,000 | 241,000 | 241,000 |
| 8 INCH SERVICE | 400,000 | 400,000 | 400,000 | 577,000 | 577,000 |

BRIGHAM CITY CORPORATION
RATIOS OF OUTSTANDING DEBT BY TYPE
JUNE 30,

| FISCAL YEAR | GOVERNMENTAL ACTIVITIES | | | | | BUSINESS-TYPE ACTIVITIES | | | | | | | |
|----------------|--------------------------------|--------------------------------|-----------------|------------------|-------------------|--|----------------|-----------------|-------------------|-------------------|--------------------------------|-------------------------------------|---------------|
| | GENERAL OBLIGATION BONDS | SPECIAL ASSESSMENT BONDS | RDA #1 BONDS | NOTES PAYABLE | CAPITAL LEASES | WATER, SEWER AND ELECTRIC REVENUE BONDS | | | | | TOTAL PRIMARY GOVERNMENT | PERCENTAGE OF PERSONAL INCOME | PER CAPITA |
| | | | | | | SERIES 2001 | SERIES 1993 | SERIES 1987A | CAPITAL LEASES | CAPITAL LEASES | | | |
| | | | | | | | | | | | | | |
| 2002 | \$ 6,735,000 | \$ 2,859,000 | \$ 173,000 | \$ 10,300 | \$ 228,489 | \$ 2,050,000 | \$ 3,240,000 | \$ 243,750 | \$ - | \$ - | \$ 15,539,539 | \$ 722.90 | \$ 875.76 |
| 2003 | 6,775,000 | 2,532,000 | - | - | 232,426 | 1,947,000 | 2,240,000 | 195,000 | - | - | 13,921,426 | 662.70 | 782.10 |
| 2004 | 6,353,000 | 2,047,000 | - | 298,000 | 187,301 | 1,845,000 | 1,130,000 | 146,250 | 132,750 | 132,750 | 12,139,301 | 563.00 | 681.98 |
| 2005 | 5,884,000 | 1,687,000 | - | 198,000 | 147,240 | 1,452,000 | - | 97,500 | 125,441 | 125,441 | 9,591,181 | 430.58 | 524.71 |
| 2006 | 5,393,000 | 1,323,001 | - | 98,000 | 112,440 | 1,350,000 | - | 48,750 | 118,072 | 118,072 | 8,443,263 | 353.64 | 456.39 |

NOTE: DETAILS REGARDING THE GOVERNMENT'S OUTSTANDING DEBT CAN BE FOUND IN THE NOTES TO THE FINANCIAL STATEMENTS.
SEE DEMOGRAPHIC AND ECONOMIC STATISTICS, PAGE 110 FOR PERSONAL INCOME AND POPULATION DATA

BRIGHAM CITY CORPORATION
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
JUNE 30,

| YEAR | GENERAL BONDED DEBT OUTSTANDING | | | | PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY | PER CAPITAL |
|------|---------------------------------|--------------------------------|------------------------|--------------|---|----------------|
| | GENERAL OBLIGATION BONDS | SPECIAL ASSESSMENT BONDS | REDEVELOPMENT BONDS | TOTAL | | |
| 2002 | \$ 6,735,000 | \$ 2,859,000 | \$ 173,000 | \$ 9,767,000 | 1.67% | \$ 550.04 |
| 2003 | 6,775,000 | 2,532,000 | - | 9,307,000 | 1.81% | 516.85 |
| 2004 | 6,353,000 | 2,047,000 | - | 8,400,000 | 1.72% | 459.54 |
| 2005 | 5,884,000 | 1,687,000 | - | 7,571,000 | 1.40% | 412.48 |
| 2006 | 5,393,000 | 1,323,000 | - | 6,716,000 | 1.11% | 363.03 |

NOTE: DETAILS REGARDING THE GOVERNMENT'S OUTSTANDING DEBT CAN BE FOUND IN THE NOTES TO THE
FINANCIAL STATEMENTS.

SEE ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, PAGE 97 FOR PROPERTY VALUE DATA

SEE DEMOGRAPHIC AND ECONOMIC STATISTICS, PAGE 110 FOR POPULATION DATA

BRIGHAM CITY CORPORATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
JUNE 30,

| GENERAL BONDED DEBT OUTSTANDING | | | | | | PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY | PER CAPITA |
|---------------------------------|--------------------------------|------------------------|--------------|-------------------------------------|-----------------------|---|---------------|
| FISCAL YEAR | GENERAL OBLIGATION BONDS | REDEVELOPMENT BONDS | TOTAL | DEBT SERVICE MONIES AVAILABLE | NET BONDED DEBT | | |
| 2002 | \$ 6,735,000 | \$ 173,000 | \$ 6,908,000 | \$ 359,469 | \$ 6,548,531 | 1.37% | \$ 368.79 |
| 2003 | 6,775,000 | - | 6,775,000 | 170,272 | 6,604,728 | 1.40% | 366.79 |
| 2004 | 6,353,000 | - | 6,353,000 | 96,232 | 6,256,768 | 1.33% | 342.29 |
| 2005 | 5,884,000 | - | 5,884,000 | 177,645 | 5,706,355 | 1.13% | 310.89 |
| 2006 | 5,393,000 | - | 5,393,000 | 189,166 | 5,203,834 | 0.86% | 281.29 |

NOTE: DETAILS REGARDING THE GOVERNMENT'S OUTSTANDING DEBT CAN BE FOUND IN THE NOTES TO THE
FINANCIAL STATEMENTS

BRIGHAM CITY CORPORATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2006

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE | ESTIMATED SHARE OF OVERLAPPING DEBT |
|--|---------------------|---------------------------------------|--|
| DEBT PAID WITH PROPERTY TAXES: | | | |
| BOX ELDER COUNTY GENERAL OBLIGATION DEBT | \$ 4,635,000 | 0.000% | \$ - |
| OTHER DEBT: | | | |
| BOX ELDER COUNTY TAX INCREMENT REVENUE BOND | 1,338,000 | 0.000% | - |
| BOX ELDER COUNTY REVENUE BONDS | 1,500,000 | 0.000% | - |
| BOX ELDER COUNTY TAXABLE SALES TAX REVENUE BONDS | 2,075,000 | 0.000% | - |
| BOX ELDER COUNTY SPECIAL ASSESSMENT BONDS | 304,000 | 0.000% | - |
| BOX ELDER COUNTY CAPITAL LEASE | 25,744 | 26.211% | 6,748 |
| BOX ELDER MOSQUITO ABATEMENT DISTRICT REAL PROPERTY LEASE PURCHASE | 1,474,359 | 26.211% | 386,444 |
| BOX ELDER SCHOOL DISTRICT MUNICIPAL BUILDING AUTHORITY BONDS | 7,400,000 | 0.000% | - |
| OVERLAPPING DEBT | | | 393,191 |
| DIRECT DEBT | | | 6,926,440 |
| TOTAL DIRECT AND OVERLAPPING DEBT | | | \$ 7,319,631 |

SOURCES: ASSESSED VALUE DATA USED TO ESTIMATE APPLICABLE PERCENTAGES PROVIDED BY
BOX ELDER COUNTY'S FINANCIAL REPORT
DEBT OUTSTANDING DATA PROVIDED BY EACH GOVERNMENTAL UNIT.

NOTE: OVERLAPPING GOVERNMENTS ARE THOSE THAT COINCIDE, AT LEAST IN PART, WITH THE GEOGRAPHIC BOUNDARIES OF THE CITY. THIS SCHEDULE ESTIMATES THE PORTION OF THE OUTSTANDING DEBT OF THOSE OVERLAPPING GOVERNMENTS THAT IS BORNE BY THE RESIDENTS AND BUSINESSES OF BRIGHAM CITY CORPORATION. THIS PROCESS RECOGNIZES THAT, WHEN CONSIDERING THE CITY'S ABILITY TO ISSUE AND REPAY LONG-TERM DEBT, THE ENTIRE DEBT BURDEN BORNE BY THE RESIDENTS AND BUSINESSES SHOULD BE TAKEN INTO ACCOUNT. HOWEVER, THIS DOES NOT IMPLY THAT EVERY TAXPAYER IS A RESIDENT, AND THEREFORE RESPONSIBLE FOR REPAYING THE DEBT, OF EACH OVERLAPPING GOVERNMENT.

FOR DEBT REPAYED WITH PROPERTY TAXES, THE PERCENTAGE OF OVERLAPPING DEBT APPLICABLE IS ESTIMATED USING TAXABLE ASSESSED PROPERTY VALUES. APPLICABLE PERCENTAGES WERE ESTIMATED BY DETERMINING THE PORTION OF ANOTHER GOVERNMENT'S TAXABLE ASSESSED VALUE THAT IS WITHIN THE CITY'S BOUNDARIES AND DIVIDING IT BY EACH UNIT'S TOTAL TAXABLE ASSESSED VALUE. THIS APPROACH WAS ALSO USED FOR BOX ELDER COUNTY CAPITAL LEASE. BOX ELDER COUNTY'S REVENUE BONDS, TAXABLE SALES TAX BONDS, AND SPECIAL ASSESSMENT BONDS ARE REPAYED THROUGH REVENUE GENERATED OUTSIDE THE BOUNDARIES OF THE CITY AND AS SUCH THE APPLICABLE PERCENTAGE IS ZERO.

BRIGHAM CITY CORPORATION
LEGAL DEBT MARGIN INFORMATION
JUNE 30,

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TAXABLE VALUE | \$ 583,270,000 | \$ 514,959,000 | \$ 488,259,000 | \$ 538,963,000 | \$ 606,233,000 |
| PERMITTED PERCENTAGE | <u>4%</u> | <u>4%</u> | <u>4%</u> | <u>4%</u> | <u>4%</u> |
| INDEBTEDNESS WHICH MAYBE INCURRED | <u>\$ 23,330,800</u> | <u>\$ 20,598,360</u> | <u>\$ 19,530,360</u> | <u>\$ 21,558,520</u> | <u>\$ 24,249,320</u> |
| AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT: | | | | | |
| GENERAL OBLIGATION BONDS | 6,735,000 | 6,775,000 | 6,353,000 | 5,884,000 | 5,393,000 |
| LESS: ASSETS RESTRICTED FOR PAYMENT | <u>(359,469)</u> | <u>(170,272)</u> | <u>(96,232)</u> | <u>(177,645)</u> | <u>(189,166)</u> |
| TOTAL AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT | <u>6,375,531</u> | <u>6,604,728</u> | <u>6,256,768</u> | <u>5,706,355</u> | <u>5,203,834</u> |
| LEGAL DEBT MARGIN | <u><u>\$ 16,955,269</u></u> | <u><u>\$ 13,993,632</u></u> | <u><u>\$ 13,273,592</u></u> | <u><u>\$ 15,852,165</u></u> | <u><u>\$ 19,045,486</u></u> |
| TOTAL NET DEBT DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT | 27.33% | 32.06% | 32.04% | 26.47% | 21.46% |

| FISCAL YEAR | WATER, SEWER, AND ELECTRIC REVENUE BONDS | | | | SPECIAL ASSESSMENT BONDS | | | | | | |
|----------------|--|-----------------------|---------------------------|--------------|---------------------------|--------------|--------------------------------------|---------------------------|------------|------------|----------|
| | DIRECT GROSS REVENUES | OPERATING EXPENSES | AVAILABLE DEBT SERVICE | | DEBT SERVICE REQUIREMENTS | | SPECIAL ASSESSMENT COLLECTIONS | DEBT SERVICE REQUIREMENTS | | | |
| | | | DEBT SERVICE | AVAILABLE | PRINCIPAL | INTEREST | | TOTAL | COVERAGE | PRINCIPAL | INTEREST |
| 2002 | \$ 12,746,650 | \$ 9,554,819 | \$ 3,191,831 | \$ 1,181,750 | \$ 243,075 | \$ 1,424,825 | \$ 312,200 | \$ 312,000 | \$ 190,196 | \$ 502,196 | 0.62 |
| 2003 | 12,905,444 | 9,927,843 | 2,977,601 | 1,271,750 | 279,809 | 1,551,559 | 364,630 | 327,000 | 171,221 | 498,221 | 0.73 |
| 2004 | 14,450,286 | 10,581,094 | 3,868,192 | 1,260,750 | 127,904 | 1,388,654 | 306,313 | 342,000 | 151,120 | 493,120 | 0.62 |
| 2005 | 13,403,635 | 11,254,494 | 2,149,141 | 1,281,750 | 138,975 | 1,420,725 | 321,612 | 367,000 | 130,186 | 497,186 | 0.65 |
| 2006 | 14,613,467 | 11,566,733 | 3,056,734 | 199,500 | 50,641 | 250,141 | 308,127 | 364,000 | 67,760 | 431,760 | 0.71 |

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BRIGHAM CITY CORPORATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
JUNE 30,

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|------------|------------|------------|------------|------------|
| SQUARE MILES IN CORPORATE LIMITS | 80 | 80 | 80 | 87 | 87 |
| EDUCATION INFORMATION | | | | | |
| ATTENDANCE CENTERS | | | | | |
| ELEMENTARY | 5 | 5 | 5 | 5 | 5 |
| SECONDARY | 3 | 3 | 3 | 3 | 3 |
| TEACHERS | | | | | |
| ELEMENTARY | 91 | 105 | 95 | 103 | 73 |
| SECONDARY | 163 | 184 | 152 | 163 | 125 |
| STUDENTS | | | | | |
| ELEMENTARY | 1,869 | 1,929 | 1,901 | 2,202 | 1,860 |
| SECONDARY | 3,309 | 3,508 | 3,398 | 3,117 | 3,302 |
| POPULATION | 17,757 | 18,007 | 18,279 | 18,355 | 18,500 |
| PERSONAL INCOME (IN THOUSANDS) | \$ 381,704 | \$ 378,273 | \$ 394,132 | \$ 408,858 | \$ 441,688 |
| PER CAPITA PERSONAL INCOME | \$ 21,496 | \$ 21,007 | \$ 21,562 | \$ 22,275 | \$ 23,875 |
| UNEMPLOYMENT RATES: | | | | | |
| COUNTY | 5.50% | 5.50% | 4.90% | 4.20% | 3.10% |
| STATE | 5.80% | 5.80% | 5.00% | 4.10% | 3.20% |
| NATIONAL | 5.50% | 6.00% | 5.40% | 4.90% | 4.70% |

SOURCES:

EDUCATION INFORMATION OBTAINED FROM THE BOX ELDER COUNTY SCHOOL DISTRICT

POPULATION OBTAINED FROM THE GOVERNMENT'S COMMUNITY DEVELOPMENT

PERSONAL INCOME FROM THE UNIVERSITY OF UTAH BUREAU OF BUSINESS AND ECONOMIC RESEARCH

UNEMPLOYMENT RATES OBTAINED FROM THE STATE OF UTAH WORKFORCE SERVICES

BRIGHAM CITY CORPORATION
PRINCIPAL EMPLOYERS
JUNE 30, 2006

| EMPLOYER | EMPLOYEES | RANK | PERCENTAGE OF GOVERNMENT EMPLOYMENT |
|----------------------------------|-----------|------|---|
| AUTOLIV ASP | 1,623 | 1 | 16.23% |
| VULCRAFT | 360 | 2 | 3.60% |
| BOX ELDER COUNTY SCHOOL DISTRICT | 298 | 3 | 2.98% |
| BRIGHAM CITY COMMUNITY HOSPITAL | 175 | 4 | 1.75% |
| BRIGHAM CITY CORPORATION | 139 | 5 | 1.39% |
| WHITAKER CONSTRUCTION CO. | 160 | 6 | 1.60% |
| STORM PRODUCTS | 140 | 7 | 1.40% |
| KENT'S FOODS | 96 | 8 | 0.96% |
| SMITH'S FOOD & DRUG | 90 | 9 | 0.90% |
| GOLDEN EMPIRE MANUFACTURING | 85 | 10 | 0.85% |
| TOTAL | 3,166 | | 31.66% |

SOURCE: BOX ELDER COUNTY ECONOMIC DEVELOPMENT AND THE GOVERNMENT'S
COMMUNITY DEVELOPMENT

NOTE: THE PRIOR YEAR'S WERE UNATTAINABLE

BRIGHAM CITY CORPORATION
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNTION/PROGRAM
JUNE 30,

| FUNCTION/PROGRAM: | 2002 | 2003 | 2004 | 2005 | 2006 |
|------------------------------------|-------|-------|-------|-------|-------|
| GENERAL GOVERNMENT: | | | | | |
| CITY COUNCIL | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| MAYOR'S OFFICE | 4.0 | 4.0 | 4.0 | 5.0 | 4.0 |
| ADMINISTRATION | 7.0 | 7.0 | 7.0 | 7.0 | 7.2 |
| BUILDINGS | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PLANNING & ECONOMIC DEVELOPMENT | 4.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| RISK MANAGEMENT | | | | | |
| PUBLIC SAFETY | | | | | |
| POLICE | | | | | |
| OFFICERS | 26.0 | 25.0 | 24.0 | 25.0 | 25.0 |
| CIVILIANS | 7.0 | 7.0 | 7.0 | 7.0 | 6.0 |
| FIRE | | | | | |
| AMBULANCE | | | | | |
| EMERGENCY SERVICES | 1.2 | 1.0 | 1.0 | 1.0 | 1.0 |
| COMMUNITY DEVELOPMENT/INSPECTION | 2.0 | 4.5 | 4.5 | 4.5 | 7.0 |
| PUBLIC WORKS | | | | | |
| STREETS & HIGHWAYS | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| ENGINEERING | 2.5 | 2.5 | 2.5 | 2.0 | 2.0 |
| AIRPORT | | | | | |
| CULTURE, PARKS AND RECREATION | | | | | |
| PARKS | 5.5 | 5.5 | 5.5 | 5.5 | 7.5 |
| RECREATION | 1.5 | 1.5 | 2.0 | 2.0 | 2.0 |
| CEMETERY | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 |
| MUSEUM GALLERY | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| SENIOR CITIZENS | 8.0 | 8.0 | 8.0 | 7.8 | 8.0 |
| GOLF | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| LIBRARY | 7.0 | 7.5 | 7.5 | 7.0 | 7.7 |
| COMMUNITY AND ECONOMIC DEVELOPMENT | | | | | |
| RDA'S AND EDA'S | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| WATER | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| WASTE TREATMENT | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| ELECTRIC | 14.5 | 14.5 | 14.5 | 14.0 | 14.0 |
| WASTE COLLECTION | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| STORM DRAIN | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| FLEET LEASING | 6.0 | 6.0 | 5.0 | 5.0 | 5.0 |
| TOTAL | 135.9 | 135.7 | 134.2 | 134.5 | 139.1 |

SOURCE: GOVERNMENT'S PERSONNEL OFFICE

NOTE: CITY COUNCIL REPRESENTS THE FIVE ELECTED COUNCILMEMBERS

MAYOR'S OFFICE INCLUDES THE ELECTED MAYOR

FIRE AND AMBULANCE ARE NOT INCLUDED BECAUSE BOTH DEPARTMENTS ARE VOLUNTEER

BRIGHAM CITY CORPORATION
OPERATING INDICATORS BY FUNCTION/PROGRAM

JUNE 30,

| FUNCTION/PROGRAM | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------------------|--------------|---------------|--------------|---------------|---------------|
| POLICE | | | | | |
| CITATIONS | 3,139 | 3,639 | 2,765 | 2,248 | 1,973 |
| ACCIDENTS (TRAFFIC) | 790 | 602 | 754 | 480 | 527 |
| STOLEN PROPERTY VALUE (DOLLARS) | \$ 432,987 | 381,573 | 269,783 | 313,441 | 271,176 |
| FIRE | | | | | |
| EMERGENCY RESPONSES | 270 | 322 | 249 | 266 | 306 |
| INSPECTIONS | 36 | 44 | 51 | 102 | 146 |
| AMBULANCE CALLS | 1,309 | 1,334 | 1,458 | 1,722 | 1,803 |
| COMMUNITY DEVELOPMENT | | | | | |
| BUILDING PERMITS ISSUED | 336 | 339 | 385 | 379 | 325 |
| VALUE OF BUILDING PERMITS | \$ 7,540,794 | \$ 7,027,034 | \$ 8,794,496 | \$ 14,157,700 | \$ 12,189,600 |
| BUSINESS LICENSES ISSUED | 155 | 156 | 126 | 120 | 114 |
| STREETS | | | | | |
| STREET RESURFACING (MILES) | 10 | 7 | 8 | 5 | 4 |
| SWIMMING POOL | | | | | |
| NUMBER OF ADMISSIONS | 62,487 | 49,361 | 41,661 | 37,203 | 31,415 |
| NUMBER OF AFTER HOUR RESERVATIONS | 56 | 36 | 62 | 55 | 65 |
| NUMBER TAKING SWIMMING LESSONS | 615 | 606 | 636 | 854 | 808 |
| RECREATION | | | | | |
| NUMBER OF PROGRAMS | | | | | |
| YOUTH | 41 | 35 | 34 | 35 | 42 |
| ADULTS | 10 | 14 | 12 | 17 | 16 |
| NUMBER OF PARTICIPANTS | | | | | |
| YOUTH | 2,600 | 2,478 | 2,733 | 2,222 | 3,293 |
| ADULTS | 1,451 | 1,394 | 1,081 | 1,948 | 1,492 |
| MUSEUM GALLERY | | | | | |
| NUMBER OF EXHIBITS HELD | 8 | 8 | 9 | 12 | 9 |
| NUMBER OF VISITORS | 7,900 | 6,000 | 8,100 | 8,200 | 7,900 |
| SENIOR CENTER | | | | | |
| NUMBER OF MEALS SERVED | | NOT AVAILABLE | | | 71,686 |
| NUMBER OF SENIOR PARTICIPATION | | NOT AVAILABLE | | | 2,099 |
| CEMETERY | | | | | |
| NUMBER OF BURIALS | 155 | 172 | 184 | 157 | 160 |
| GOLF | | | | | |
| NUMBER OF ROUNDS | 66,019 | 63,151 | 53,951 | 56,524 | 55,497 |
| AIRPORT | | | | | |
| NUMBER OF LANDINGS | 33,000 | 33,970 | 34,970 | 36,000 | 35,000 |
| LIBRARY | | | | | |
| VOLUMES IN COLLECTION | 53,306 | 53,858 | 60,829 | 57,551 | 59,482 |
| TOTAL CIRCULATION | 233,040 | 234,046 | 224,881 | 246,241 | 239,869 |

BRIGHAM CITY CORPORATION
OPERATING INDICATORS BY FUNCTION/PROGRAM
JUNE 30,

| FUNCTION/PROGRAM | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-------------|-------------|-------------|-------------|-------------|
| WATER | | | | | |
| NUMBER OF CONNECTIONS | 5,352 | 5,414 | 5,445 | 5,736 | 5,539 |
| TOTAL CONSUMPTION (1,000 OF GALLONS) | 1,861,929 | 1,756,565 | 1,637,214 | 1,319,689 | 1,600,880 |
| AVERAGE DAILY CONSUMPTION (1,000 OF GALLONS) | 5,101 | 4,813 | 4,486 | 3,616 | 4,386 |
| AVERAGE MONTHLY BILLING | \$ 26.80 | \$ 23.71 | \$ 28.77 | \$ 23.05 | \$ 28.57 |
| WASTE TREATMENT | | | | | |
| NUMBER OF CONNECTIONS | 5,695 | 5,610 | 5,692 | 5,736 | 5,800 |
| TOTAL SEWAGE TREATED (1,000 OF GALLONS) | 619,510 | 577,500 | 572,220 | 661,970 | 681,870 |
| AVERAGE DAILY SEWAGE TREATMENT (1,000 OF GALLONS) | 1,697 | 1,582 | 1,568 | 1,814 | 1,868 |
| AVERAGE MONTHLY BILLING | \$ 27.98 | \$ 27.11 | \$ 28.29 | \$ 26.70 | \$ 26.30 |
| ELECTRIC | | | | | |
| NUMBER OF CONNECTIONS | 6,783 | 6,846 | 6,916 | 7,003 | 7,035 |
| TOTAL KWH CONSUMED | 137,348,832 | 132,743,343 | 143,633,275 | 136,624,365 | 145,460,421 |
| KWH GENERATED | 5,834,379 | 5,304,152 | 4,992,169 | 7,032,647 | 9,527,357 |
| KWH PURCHASED | 138,464,880 | 136,952,405 | 145,407,420 | 141,921,015 | 145,125,854 |
| AVERAGE DAILY KWH CONSUMED | 376,298 | 363,680 | 393,516 | 374,313 | 398,522 |
| AVERAGE MONTHLY BILLING | \$ 101.48 | \$ 95.01 | \$ 102.32 | \$ 96.14 | \$ 108.76 |

NOTE:

FIRE INSPECTIONS IN 2005 STARTED TO DO LIFE SAFETY INSPECTIONS

BRIGHAM CITY CORPORATION
CAPITAL ASSETS BY FUNCTION/PROGRAM
JUNE 30,

| FUNCTION/PROGRAM | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------------------|------------|----------------|------------|------------|------------|
| PUBLIC SAFETY: | | | | | |
| POLICE: | | | | | |
| STATIONS | 1 | 1 | 1 | 1 | 1 |
| PATROL UNITS | 15 | 15 | 15 | 15 | 15 |
| FIRE: | | | | | |
| STATIONS | 1 | 1 | 1 | 1 | 1 |
| FIRE FIGHTING VEHICLES | 9 | 9 | 9 | 9 | 9 |
| AMBULANCE: | | | | | |
| STATIONS | 1 | 1 | 1 | 1 | 1 |
| AMBULANCE VEHICLES | 5 | 5 | 5 | 5 | 5 |
| PUBLIC WORKS: | | | | | |
| STREETS: | | | | | |
| MILES | 80 | 80 | 80 | 87 | 87 |
| STREET LIGHTS | 969 | 1,013 | 1,013 | 1,025 | 1,025 |
| TRAFFIC SIGNALS | 7 | 7 | 7 | 7 | 7 |
| CULTURE, PARKS & RECREATION: | | | | | |
| PARKS AND RECREATION: | | | | | |
| PARK ACREAGE | 92.6 | 92.6 | 92.6 | 85.4 | 85.4 |
| PLAYGROUNDS | 8 | 8 | 8 | 8 | 8 |
| BASEBALL/SOFTBALL DIAMONDS | 6 | 6 | 6 | 6 | 6 |
| SOCCER/FOOTBALL FIELDS | 8 | 8 | 8 | 8 | 8 |
| TENNIS COURTS | 4 | 4 | 4 | 4 | 4 |
| COMMUNITY CENTER | 1 | 1 | 1 | 1 | 1 |
| GOLF: | | | | | |
| EIGHTEEN HOLE COURSES | 1 | 1 | 1 | 1 | 1 |
| SWIMMING POOL: | | | | | |
| NUMBER | 1 | 1 | 1 | 1 | 1 |
| SIZE (GALLONS) | 603,244 | 603,244 | 603,244 | 603,244 | 603,244 |
| CULTURE: | | | | | |
| LIBRARY | 1 | 1 | 1 | 1 | 1 |
| MUSEUM GALLERY | 1 | 1 | 1 | 1 | 1 |
| OTHER: | | | | | |
| CEMETERY: | | | | | |
| NUMBER | 1 | 1 | 1 | 1 | 1 |
| TOTAL POTENTIAL PLOTS | | NOT AVAILABLE | | 22,077 | 21,917 |
| TOTAL USED PLOTS | | NOT AVAILABLE | | 12,559 | 12,719 |
| COLUMBARIUM'S: | | | | | |
| NUMBER | | NOT APPLICABLE | | | 1 |
| TOTAL NICHES | | NOT APPLICABLE | | | 24 |
| TOTAL NICHES USED | | NOT APPLICABLE | | | 6 |
| UTILITIES: | | | | | |
| WATER: | | | | | |
| WATER MAINS (MILES) | 88 | 88 | 88 | 88 | 88 |
| FIRE HYDRANTS | 442 | 600 | 600 | 600 | 602 |
| STORAGE CAPACITY: | | | | | |
| RESERVOIRS (GALLONS) | 12,200,000 | 12,200,000 | 12,200,000 | 12,200,000 | 12,200,000 |
| WELL STORAGE (GALLONS) (NOTE) | | | | | |

BRIGHAM CITY CORPORATION
CAPITAL ASSETS BY FUNCTION/PROGRAM
JUNE 30,

| FUNCTION/PROGRAM | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-----------|-----------|-----------|-----------|-----------|
| WASTE TREATMENT: | | | | | |
| TREATMENT PLANTS | 1 | 1 | 1 | 1 | 1 |
| TREATMENT CAPACITY (GALLONS) | | | | | |
| NORMAL FLOW | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| PEAK FLOW | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| SANITARY SEWERS (MILES) | 100 | 100 | 100 | 100 | 100 |
| ELECTRIC: | | | | | |
| SUBSTATIONS | 6 | 6 | 6 | 6 | 6 |
| TRANSMISSION/DISTRIBUTION LINES (MILES) | 90.5 | 90.5 | 90.5 | 93.0 | 94.0 |
| SERVICE CENTERS | 1 | 1 | 1 | 1 | 1 |
| GENERATION PLANT | 1 | 1 | 1 | 1 | 1 |
| GENERATING CAPACITY (KWH) | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| NUMBER OF STREET LIGHTS | 969 | 1,013 | 1,013 | 1,025 | 1,025 |
| STORM DRAIN: | | | | | |
| STORM DRAINAGE SYSTEM (MILES) | 1.43 | 1.43 | 2.14 | 2.14 | 2.14 |

NOTE:

WATER STORAGE - WELLS: THE GOVERNMENT INJECTS WATER INTO THE WELLS DURING THE
WINTER MONTHS USING THE OVERFLOW WATER FROM ITS SPRINGS. THE GOVERNMENT IS ABLE
TO RECLAIM ALL THE WATER INJECTED INTO THE WELLS.

CEMETERY - COLUMBARIUMS: JUNE 30, 2006 IS THE FIRST YEAR.

BRIGHAM CITY CORPORATION
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2006

BRIGHAM CITY CORPORATION
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2006

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Honorable Mayor and City Council
Brigham City Corporation

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation, as of and for the year ended June 30, 2006, which collectively comprise Brigham City Corporation's basic financial statements and have issued our report thereon dated October 5, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Brigham City Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Brigham City Corporation in the accompanying Schedule of Findings, Recommendations, and Responses.

**INDEPENDENT AUDITORS' REPORT
ON STATE OF UTAH LEGAL COMPLIANCE**

To the Honorable Mayor and City Council
Brigham City Corporation
Brigham City, Utah

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brigham City Corporation for the year ended June 30, 2006, and have issued our report thereon dated October 5, 2006. As part of our audit, we have audited Brigham City Corporation's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State Assistance Programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2006.

The City received the following major programs:

B & C road funds
Airport improvements

The City also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Brigham City Corporation's financial statements.)

Citizen Corp Grant (State of Utah)
Emergency Services Grant (State of Utah)
Fire Grant (State of Utah)
Library Grant (State of Utah Library Board)
State Hometown Hero Grant (State of Utah)
Liquor Law Enforcement Grant (State of Utah)

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance

Truth in taxation and property tax limitations
Department of Commerce
Impact Fees
Other Compliance Requirements

BRIGHAM CITY CORPORATION
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2006

STATE LEGAL COMPLIANCE ITEMS

06-1. BUDGETARY COMPLIANCE

Finding:

Utah Code 10-6 states that officers and employees of the entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department. We noted the following departments/funds were over budget:

Fire department
Streets and highways department
Airport Capital Improvements Fund
Economic Development Agency X-20

Recommendation:

We recommend that the City monitor expenditures and make necessary budgetary changes when appropriate.

Response:

The City makes changes at the end of each budget year. When the adjustments were made to the budget, we tried to anticipate the actual expenditures through the end of the year. The estimates used were incorrect. The government expended grant funds that were received or to be reimbursed, and did not amend the budget to reflect the total revenue which more than offset the expenditures.

06-2. TRUTH IN TAXATION

Finding:

Utah statute requires the filing of form TC-693 *Tax Rate Summary* which includes a column "Budgeted Revenue." The amounts in that column should be the same as the revenue amounts in the entity's adopted budget. The City's budgeted tax revenue amount did not agree with their Form TC-693.

Recommendation:

We recommend that the City review their budgeted property tax revenue when they receive their rate from the County Auditor and adjust their budget accordingly.

Response:

Because the tax rate received from the County Auditor is received after the adoption date of the budget which is mandated by State law, the budget revenue did not agree with the Form TC-693. When the County provides the tax rate to the government by the date required by the State law, the government will be able to adjust the revenue accordingly.

**BRIGHAM CITY CORPORATION
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2006**

06-4. CREDIT CARD POLICIES (Continued)

Response:

The government will establish a policy implementing this recommendation.

06-5. PURCHASING ISSUES

Finding:

While reviewing the cash disbursements, we noted that the verbal quotes required on purchases over \$1,000 were not noted on the supporting documentation submitted for payment.

Recommendation:

We recommend that the quotes be included in the supporting documentation, so that there is no question that City policy is followed.

Finding:

While reviewing the cash disbursements, we noted that there was a request for honorariums that included "mileage." However, the actual mileage was not disclosed. This information is required for substantiation.

Recommendation:

We recommend that whenever mileage is to be reimbursed, the actual mileage be stated.

Finding:

While reviewing the cash disbursements, we noted that vendor discounts were not deducted on payments made within the required time. This is due to the fact that the department submitting the invoice doesn't know if the payment would be remitted in time to take advantage of the discount, and the account payable pay the amount approved by the department.

Recommendation:

We recommend that the accounts payable clerks take the vendor discounts whenever possible. Departments should submit PO's and purchase orders as quickly as possible, to allow the City to take advantage of all available discounts.

Response:

The government has begun to implement these recommendations.

**BRIGHAM CITY CORPORATION
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2006**

06-7. GRANT CONTRACTS (Continued)

Recommendation:

We recommend that all grant documents and correspondence be directed to the City Recorder for tracking and safekeeping.

Response:

The government will continue to educate the staff that all grant documents need to be forwarded to the City Recorder.

**BRIGHAM CITY CORPORATION
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

OTHER FINDINGS

05-3. OTHER FINDINGS

Finding:

While performing substantive tests, we noted that there were reclassification journal entries without adequate supporting documentation. There should be sufficient backup with all journal entries posted. Journal entries should be referenced by month in a sequential order.

Recommendation:

We recommend that all journal entries have supporting documentation attached before posting. We also recommend that journal entries be referenced by month in a sequential order.

Status:

Implemented.

BRIGHAM CITY CORPORATION
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2006

**BRIGHAM CITY CORPORATION
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2006**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133 AND
AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Honorable Mayor and City Council
Brigham City Corporation
Brigham City, Utah 84302

Compliance

We have audited the compliance of Brigham City Corporation with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Brigham City Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Brigham City Corporation's management. Our responsibility is to express an opinion on Brigham City Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Brigham City Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Brigham City Corporation's compliance with those requirements.

In our opinion, Brigham City Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

BRIGHAM CITY CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

| Federal Grantor/Grantor Pass Through/Grantor <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-through Entity Number</u> | <u>Federal Award Expended</u> | <u>Major Program</u> |
|---|------------------------------------|---|---------------------------------------|--------------------------|
| Department of Homeland Security: | | | | |
| Direct: | | | | |
| SLA Grant | 97.067 | N/A | \$ 392,212 | |
| Total Department of Homeland Security | | | <u>392,212</u> | |
| U.S. Department of Justice: | | | | |
| Direct: | | | | |
| Strike Force Grant | 16.579 | N/A | 30,324 | |
| Passed through Your Community in Unity: | | | | |
| VAWA | 16.588 | N/A | <u>8,772</u> | |
| Total U.S. Department of Justice | | | <u>39,096</u> | |
| U.S. Department of Health and Human Services: | | | | |
| Direct: | | | | |
| Drug Free Communities | 93.276 | 1H79SP13033 | 24,262 | |
| Passed through University of Washington: | | | | |
| Communities that Care | 93.279 | 756325 | 171,454 | |
| Passed through Bear River Association of Governments | | | | |
| Federal Aging | 93.044 | N/A | 101,532 | X |
| Medicaid Waiver | 93.778 | N/A | 78 | |
| Social services block grant | 93.569 | N/A | 2,500 | |
| Heat programs | 93.568 | N/A | 3,701 | |
| Passed through Box Elder County: | | | | |
| Social services block grant | 93.569 | Adult Literacy | <u>1,500</u> | |
| Total U.S. Department of Health and Human Services | | | <u>305,027</u> | |

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

BRIGHAM CITY CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1. PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule of Brigham City Corporation's basic financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a select portion of the activities of Brigham City Corporation, it is not intended to and does not present either the financial position, changes in fund balances or the revenues or expenditures of Brigham City Corporation.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Presentation** - The information in the Schedule is presented in accordance with OMB Circular A-133.

Federal Awards - Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal awards, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the Schedule. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal Government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

Type A and Type B Programs - OMB Circular A-133 establishes the levels of expenditures or expenses to be used in defining Type A Type B federal awards programs. Type A programs, for the City, are those programs which exceed \$300,000 in federal expenditures, distributions, or issuances for the fiscal year ended June 30, 2006.

- B. **Reporting Entity** - The reporting entity is fully described in the footnotes of Brigham City Corporation's basic financial statements. The Schedule includes all federal awards programs administered by Brigham City Corporation for the year ended June 30, 2006.

BRIGHAM CITY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified

not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified

not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)?

_____ yes X no

Identification of major programs:

CFDA Number(s)

93.044

20.106

Name of Federal Program or Cluster

Aging

FAA Airport Project

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

X yes _____ no